Commonwealth of
PUERTO RICO
Tourism Company

NOTICE OF REGULATIONS AND PUBLIC HEARINGS

NEW REGULATIONS WITH RESPECT TO THE GAMES OF CHANCE ACT, AS AMENDED

Pursuant to the Uniform Administrative Proceedings Act, Act No. 170 of August 12, 1988, as amended, the Games of Chance Act, Act No. 221 of May 15, 1948, as amended, and to the Regulations with Respect to the Games Of Chance Act, as amended, Regulation No. 5702, filed on October 10, 1997, the Puerto Rico Tourism Company announces that it is in the process of adopting new Regulations with Respect to the Games Of Chance Act, as amended, which will repeal the mentioned Regulation No. 5702, filed on October 9, 1997.

The new Regulations will be adopted to conform them to the changes taking place in the games of chance in Puerto Rico, to the regulations that become needed nowadays for the games and to the operations of the Games of Chance Division in the casinos. New gaming tables and up to date technology will be regulated to make the Puerto Rico's jurisdiction consonant with the world trends of such important amenity. These changes will increase the offer of Puerto Rico as a tourist destination, will keep the trust that has projected our Island above all the gaming destinations of the Caribbean and will promote the future investment in our tourism industry.

Beginning in September 23, 2005, this notice and the text of the proposed Regulations will be available for review in electronic format at the following virtual page of the Puerto Rico Tourism Company: www.gotopuertorico.com/reglamento/reglamento_de_juegos_de_azar.pdf. A certified translation of the text of the proposed Regulations to the English Language and this notice in the English language will be available for review from the same date at: www.gotopuertorico.com/reglamento/reglamento_de_juegos_de_azareng.pdf. In addition, these electronic documents can be accessed through the virtual gate of the Commonwealth of Puerto Rico: www.gobierno.pr.

By the other hand, the proposed Regulations and its certified translation to the English Language can be personally reviewed at the Puerto Rico Tourism Company, Games of Chance Division, Blanco Olalla Building, Tetuán Street 201, Old San Juan, Puerto Rico, from the above mentioned date and in the schedule from Monday to Friday, except holidays, from 8:00 a.m. to 12:00 p.m. and from 1:00 p.m. to 5:00 p.m.

Written opinions on the proposed Regulations will be received until October 24, 2005, at 5:00 p.m., local time. Said written opinions should be addressed to Games of Chance Director and can be sent via electronic mail at gamingdivision@prtourism.com; via postal service at P.O. Box 9023960, San Juan, P.R. 00902-3960; or personally delivered at the Puerto Rico Tourism Company, Games of Chance Division, at the address and hours previously indicated for the review of the proposed Regulations. No written opinions will be received after this date, unless the Games of Chance Director requests them.

Public hearings on the proposed Regulations will be held on October 28, 2005 at 9:00 a.m. at the Puerto Rico Tourism Company, Games of Chance Division, Blanco Olalla Building, Conference Room, Third Floor, Tetuán Street 201, Old San Juan, Puerto Rico. Those interested in appearing at the public hearings can confirm their assistance by phone at (787) 721-2400, extension 3801, with at least five days of advance notice.

In San Juan, Puerto Rico, on September 20, 2005.

Terestella González Denton, Esq.
Executive Director

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COMMONWEALTH OF PUERTO RICO TOURISM COMPANY

REGULATIONS WITH RESPECT TO

THE GAMES OF CHANCE ACT, AS AMENDED

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COMMONWEALTH OF PUERTO RICO

TOURISM COMPANY

REGULATIONS WITH RESPECT TO

THE GAMES OF CHANCE ACT, AS AMENDED

CHAPTER 1

GENERAL PROVISIONS

Section 1.1 Legal Authority.

Pursuant to the authority conferred on us by Articles 5(c) and 8 of the Organic Act of the Tourism Company, Act No. 10 of June 18, 1970, as amended, Sections 2 and 14 of the Games of Chance Act, Act No. 221 of May 15, 1948, as amended, Article 4(j) of Reorganization Plan No. 4 of June 22, 1994, which creates the Department of Economic Development and Commerce, the Office of the Commissioner of Financial Institutions Act, Law No. 4 of October 11, 1985, as amended, and pursuant to the Uniform Administrative Proceedings Act, Act No. 170 of August 12, 1988, as amended, the Board of Directors of the Tourism Company hereby repeals Games of Chance Regulation No. 5702, filed on October 10, 1997, and approves and promulgates the following Regulations with respect to the Games of Chance Act, as amended.

Section 1.2 Short Title.

These Regulations shall be known and may be cited as the "Puerto Rico Games of Chance Regulations".

Section 1.3 <u>Definitions</u>.

(a) The following terms shall have the meanings that are attributed to them below, except where expressly stated, or unless the context clearly indicates otherwise:

Adjudication - shall mean the pronouncement by which the Company determines the rights, obligations or privileges corresponding to a party.

Alcoholic beverages - shall mean all substances known as ethylic alcohol, hydrated ethyl oxide, or wine spirits, which are commonly produced through the fermentation of grains, starch, molasses, sugar, sugar cane juice, beet juice, or any other substance that may be obtained though distillation, including all solutions and mixes of such substances that have been reduced to a potable proof for human consumption and the liquors and drinks that contain alcohol, whether produced through fermentation or distillation, including, but not limited to, beers, wines, and cider (Source: Article 5 of Act No. 143 of June 30, 1969, as amended).

Slot cash storage box - shall have the meaning set forth in section 5.7(a) and (b) of these Regulations.

Slot drop box - shall have the meaning set forth in section 5.6(c).

Casino and gaming room - shall mean a facility where authorized games of chance are carried out or operated.

Hopper - shall have the meaning set forth in section 5.6(a) of these Regulations.

All-purpose hopper - shall have the meaning set forth in section 5.6(a) of these Regulations.

Military Code - shall mean Act Number 62 of June 23, 1969, as amended.

Penal Code - shall mean Act Number 115 of July 22, 1974, as amended, known as the "Penal Code of the Commonwealth of Puerto Rico."

Commissioner - shall mean the Office of the Commissioner of Financial Institutions of Puerto Rico, created through Law No. 4 of October 11, 1995, as amended.

Company - shall mean the Puerto Rico Tourism Company, created by Act No. 10 of June 18, 1970, as amended.

Franchise Licensee - shall mean the Franchise Licensee of a franchise to operate a casino granted in accordance with the provisions of Chapter 2 of these Regulations.

Slot drop bucket - shall have the meaning set forth in section 5.6(a) of these Regulations.

Department of State - shall mean the Department of State of Puerto Rico.

Day - shall mean calendar day unless otherwise specified. Whenever any provision of these Regulations requires that an act or event take place on a specific day or date, and said day or date falls on a Saturday, Sunday, or official holiday, it shall be understood that said provision refers to the next business day following said day or date.

Director - shall mean the Executive Director of the Puerto Rico Tourism Company or his authorized representative.

Gaming Director - shall mean the Director of the Gaming Division of the Puerto Rico Tourism Company or his authorized representative.

Gaming Division - shall mean the Gaming Division of the Tourism Company.

Enterprise - shall mean an individual, partnership, corporation, association, or other legal entity, and any union or group of associated individuals even if they do not constitute a legal entity.

Specialist – Shall mean an officer from the electronic gaming area authorized to ensure strict compliance with the Act, the Regulations and the administrative rules established by the Gaming Division in connection with the operation of electronic gaming devices.

File - shall mean all the documents that have not been declared material exempt from disclosure by law and other materials connected with a specific matter that is or has been under consideration by the Company.

Signature - For purposes of these regulations and the minimum internal control standards, the term "signature" shall be defined as a minimum of first initial, last name and license number.

Franchise - shall mean any franchise to operate a casino issued by the Commissioner to a Franchise Licensee pursuant to the provisions of Chapter 2 of these Regulations.

Governor - shall mean the Governor of Puerto Rico.

Hotel - shall mean any building or group of buildings maintained and offered to the public as a hotel where lodging facilities are provided for the transitory public and which contain:

(i) A minimum number of rooms, as established in these Regulations, available for lodging; and

(ii) A minimum total investment, as established in these Regulations.

Guest - shall mean any person who is staying at a hotel and is registered in the books of said hotel as such.

Inspector - shall mean the employees of the Company whose functions are provided in section 5.19 of these Regulations.

Intervenor - shall mean that person who is not an original party to an adjudicative proceeding carried out by the Company and who has demonstrated his capacity or interest in the proceedings in accordance with the provisions of these Regulations.

Act - shall mean Act Number 221 of May 15, 1948, as amended.

Employee License - shall mean the Casino Employee License issued by the Company in accordance with Chapter 6 of these Regulations.

Service Industry License - shall mean the Casino Service Industry License issued by the Company pursuant to Chapter 7 of these Regulations.

MPU (Micro Processing Unit) - shall mean the control card or principal processing unit that contains the game programs to be used in a slot machine.

Order or Resolution - shall mean any decision or action of the Company of particular application which adjudicates rights or obligations of one or more specific persons, or that imposes administrative penalties or sanctions, excluding executive orders issued by the Governor.

Party - shall mean any person or agency authorized by law, including the Company in those complaints filed by the Company, to whom the lawsuit of the Company is specifically directed or who is a party to said lawsuit, or who is permitted to intervene or participate in the same, or who has filed a petition for the review of or compliance with an order, or who is designated as a party in said proceeding.

Person - shall mean any natural or legal public or private person other than the Company.

Project - shall mean any tangible plan susceptible to being evaluated by the Company and the Commissioner, which contemplates the construction and establishment of a hotel with a casino in Puerto Rico, or which contemplates the restoration, renovation, or modification of an existing hotel with a casino.

Puerto Rico - shall mean the Commonwealth of Puerto Rico.

Regulations - shall mean these Regulations, which shall be known as the Puerto Rico Games of Chance Regulations.

Rules of Evidence - shall mean the Puerto Rico Rules of Evidence.

Rules of Civil Procedure - shall mean the Rules of Civil Procedure of 1979.

STCC - shall mean a closed circuit television system, as described in section 5.4 of these Regulations.

Supervisor - shall mean all supervisory personnel in the different areas of the Gaming Division, including, but not limited to, Assistant Directors and other supervisors so designated by the director.

Slots and slot machines - shall mean a mechanical, electro-mechanical, electric, or any other type of device or machine that, when a coin, slot token, or similar object is inserted, or upon effecting a payment, is available for play or operation, which play or operation, whether due to the player's skill and the element of chance, or to the element of chance exclusively, can deliver or give the person who plays or operates the machine the right to receive cash or tokens, whether the payment is made automatically by the machine or in any other manner.

Section 1.4 General Purposes.

These Regulations are promulgated with the intention of implementing the provisions of the Act, and their purpose is to establish all the rules and norms relative to the operation of casinos located in Puerto Rico.

These purposes should be construed and interpreted within the framework and scope of powers, ends and objectives of the Company and the Commissioner.

Section 1.5 Scope and Applicability.

These Regulations shall apply to all administrative procedures for licensing, granting of franchises, overseeing, supervision and regulation related to the operation of casinos in Puerto Rico which fall within the authority and competence of the Company.

Section 1.6 Rules of Interpretation.

(a) The provisions of these Regulations shall be liberally interpreted in order to allow the Company and the Commissioner to

carry out their duties and to ensure that all the objectives of the Act and these Regulations are achieved.

(b) In special cases and for just cause the Company and the Commissioner may relax or permit deviations from the provisions of these Regulations when strict and literal compliance therewith defeats its purpose.

(c) In the event of discrepancy between the original Spanish text of the Regulations and its English translation, the Spanish text will prevail.

Section 1.7 Words and Terms.

(a) When interpreting the provisions of these Regulations, except where otherwise expressly stated, or if it is clearly understood to the contrary from the text:

(1) Words conjugated in the present tense shall be understood to include the future tense.

(2) Words used in their masculine form shall also include the feminine and neutral forms.

(3) Words in the singular shall include the plural and vice versa.

Section 1.8 Areas Not Covered by the Regulations.

The Company shall exercise its discretion in any matter not covered by these Regulations in order to achieve the objectives of the Act and these Regulations. If a particular practice or procedure is not specifically addressed in these regulations, or the Company does not exercise its discretion, such practice or procedure is prohibited.

Section 1.9 Gaming Division - Structure.

The Gaming Division shall be comprised of five (5) principal areas, to wit: Control, Collections; Electronic Games, Compliance, and Licensing; one (1) Operations Manager will be responsible for each area.

The Director shall appoint: one (1) Assistant Director, who will report to the Director of the Division; the latter shall be appointed by the Board of Directors of the Company.

The persons mentioned in paragraph (b) above shall be responsible for the administration of the public policy of the Company with respect to administration, operation, and control of the authorized casinos.

Section 1.10 Gaming Division; Offices; Hours.

(a) The principal offices of the Gaming Division are located at such place as the Board of Directors of the Tourism Company may determine from time to time.

(b) The offices of the Gaming Division shall be opened for the filing of documents and applications and for other business, except for document inspection, from 8:00 a.m. to 4:00 p.m., Monday through Friday, unless the Gaming Division authorizes otherwise. The offices of the Gaming Division shall be open for the inspection of documents that are not considered confidential and to which the general public may have access from 10:00 a.m. to 4:00 p.m., Monday through Friday, unless the Gaming Division authorizes otherwise. The Gaming Division offices will be closed on official holidays.

Section 1.11 Official Records.

No original of any official record or document shall leave the custody of the Gaming Division or the Company, except by express order of the Director, or a competent court.

Section 1.12 Communications; Notices.

(a) Except when otherwise provided, any document or correspondence addressed to the Gaming Division shall be sent to, or personally delivered at, the principal office of the Gaming Division.

(b) Said documents or correspondence shall be deemed to have been delivered or filed from the date the same were received at the principal office of the Gaming Division.

(c) Except as otherwise provided in these Regulations, all notices and other communications from the Gaming Division shall be sent to a license applicant or a Franchise Licensee by regular or certified mail to the address which appears in the most recent application or in a change of address notice received from such person.

(d) Any notice or any other communication from the Gaming Division shall be deemed to have been served or received when the same is deposited, postage prepaid, in the mail of the United States of America and the time specified in said notice shall commence to run from that date.

(e) Applicants and Franchise Licensees shall immediately notify the Gaming Division of any change of address.

Section 1.13 Political Contributions

No official or employee of the Company or of the Commissioner shall solicit, accept, or become directly or indirectly involved with any donation from the gaming industry to a political party or a political action committee. For purposes of this section, the gaming industry is defined as any employee who works in a Franchise Licensee or any owner or operator of a Franchise Licensee.

CHAPTER 2

FRANCHISE LICENSING AND REQUISITES

Section 2.1 General Prohibition.

No person may own or operate a casino unless a franchise license has first been issued to each and every person who is entitled to qualify or who is obligated therefor pursuant to this section.

Section 2.2 Procedure for application for a franchise to operate a casino in Puerto Rico.

(a) Any person interested in obtaining a franchise to operate a new casino, in accordance with the Act, must observe the following procedures:

(1) Endorsement Letter. Request an endorsement letter from the Company certifying that the project of the applicant meets the minimum requisites of the Company as to the location and physical facilities of the casino and the hotel where the same will be located, as provided in section 2.6 of this Chapter. To obtain the same, the applicant shall complete an application of the Company detailing and evidencing the following information:

(i) name of the person, corporation or partnership applying for the franchise, and the name of the contact person;

(ii) the location of the hotel and the casino;

(iii) total investment of the project where the hotel and casino will be located; and

(iv) the number of rooms in the hotel.

The endorsement letter from the Company does not obligate in any way a subsequent evaluation of the project, nor does it imply that the applicant has the final recommendation of the Company that is required as a condition for the granting of a franchise to operate a casino.

(2) Sworn application. File a sworn application with the Commissioner, accompanied by the documentation required by the Commissioner, which should be accompanied by the endorsement letter previously issued by the Company.

(b) Once a sworn application has been filed with the Commissioner, the Commissioner shall forward a copy of the application to the Company in order for the Company to evaluate the application and make the appropriate final recommendation to the Commissioner.

(c) Any person interested in renewing a casino franchise shall file with the Commissioner such documentation as may be required. The Commissioner shall forward a copy of the documentation to the Company.

Section 2.3 Final Recommendation of the Company.

(a) To make its final recommendation to the Commissioner, the Company may take into consideration the number of franchises and the location of the existing casinos, the type and quality of the services offered by the Franchise Licensees, and anything else that may serve the purposes of the Act of developing and providing attractions and accommodations for tourists that are at the level of international standards and that best serve to develop tourism in Puerto Rico.

(b) An adverse recommendation from the Company shall carry an automatic denial of the application for a franchise by the Commissioner. The Commissioner, however, must concur with a favorable final recommendation to be able to grant the corresponding franchise to the applicant.

(c) The franchise shall be issued after the Company imparts the final favorable recommendation, the Commissioner concurs with the same and the Commissioner receives payment of the license fees for the first quarter of operation.

Section 2.4 Prior Approval of Plans and Specifications.

The plans and specifications for a Project of a hotel with a casino to be built, or for an existing casino that will be renovated or rebuilt, must be approved in advance by the Company.

Section 2.5 Conditional Recommendations; Revocation of Casino Franchises.

(a) The Company may make recommendations for the issuance of a franchise to operate a casino under the condition that the Franchise Licensee meets the specific requisites with respect to the establishment, expansion, or improvements of specific attractions and accommodations for tourists, whether in the same place where the hotel that it owns and/or manages is located or elsewhere in Puerto Rico. Franchises granted based on such conditional recommendations will be revoked if the established conditions are not met.

(b) The tourist attractions referred to in this section may include, but are not limited to, other hotels and restaurants. Said tourist attractions do not necessarily have to be operated by the Franchise Licensee who owns and/or manages them.

(c) The Company shall have the discretion to grant a reasonable period of time for the applicant or Franchise Licensee to make the investment in the tourist attractions and accommodations that the Company requires for the granting of a franchise, taking into consideration when granting such period the nature of the investment and the work to be carried out; provided, that it shall not be necessary that the entire investment be made by the franchise applicant.

Section 2.6 Minimum Requisites and Company Policy; Tourist Zone Divisions

(a) For purposes of this section, the geographical and territorial space of Puerto Rico is divided into three zones: Zone Number 1, Zone Number 2, and Zone Number 3, and the minimum

requisites for each zone with which every hotel must comply in order to obtain a casino franchise are established.

(b) Zone Number 1

(1) Zone Number 1 includes the Municipality of San Juan (excluding the historical zone defined by the Planning Board) and the Municipalities of Carolina, Loíza, and Río Grande.

(2) The Franchise Licensee shall own and/or manage a hotel, the cost, size, complementary attractions, and operation of which shall conform to the following:

(i) The hotel shall have a minimum of three hundred (300) rooms and, if this requirement is not met, the total investment cost shall not be less than fifteen million dollars ($15,000,000).

(ii) The hotel shall establish and have operating the necessary beach attractions and other attractions and/or a pool, whose surface area shall not be less than two hundred fifty (250) square meters, and it shall also have a reasonable number of cabanas, lockers, and other complementary facilities. The development of the beach attractions or the pool shall be proportional to the cost of the hotel, the number of rooms, and the volume of guests that such hotel may attend; provided that none of the foregoing shall be interpreted to mean that the beach shall be available for the exclusive use of the hotel guests.

(iii) Such hotel shall operate at all times under the strictest standards applicable to hotels located in well-known tourist centers.

(iv) The hotel shall maintain in its management persons of sound moral scruples, competence, and experience in the hotel industry.

(c) Zone Number 2

(1) Zone Number 2 includes the rest of the geographical and territorial space of Puerto Rico not included in Zone Number 1 or in Zone Number 3.

(2) The Franchise Licensee shall own and/or manage a hotel, the cost, size, complementary attractions and operation of which shall conform to the following:

(i) The hotel shall have a minimum of one hundred fifty (150) rooms and, if this requirement is not met, the total cost shall not be less than ten million dollars ($10,000,000).

(ii) The hotel shall establish and have operating the necessary beach attractions and other attractions and/or a pool, the surface area of which shall not be less than two hundred (200) square meters, and shall also have a reasonable number of cabins ("cabañas"), lockers and other complementary facilities. The development of the beach attractions or the pool shall be proportional to the cost of the hotel, the number of rooms and the volume of guests that such hotel may take care of.

(iii) In this Zone Number 2, the complementary attractions may also include golf courses with a minimum of nine (9) holes, hot springs, and any other attraction that by its nature constitutes a real attraction for the guest or visitor.

(iv) The hotel shall operate at all times under the strictest standards applicable to hotels

located in well-known tourist centers and in accordance with the regulations promulgated by the Company.

(v) The hotel shall maintain in its management persons of sound moral scruples, competence and experience in the hotel industry.

(d) Zone Number 3

(1) Zone Number 3 comprises that portion of the historical city that is described in Resolution No. Z-7 of March 28, 1951, issued by the Planning Board of Puerto Rico, and the international airports in Puerto Rico.

(2) The Franchise Licensee must own and/or manage a hotel, whose cost, size, complementary attractions, and operation shall conform to the following:

(i) Hotels in the historic zone:

(a) The hotel shall have a minimum of one hundred twenty-five (125) rooms and, if this requirement is not met, the total of the investment shall not be less than five million dollars ($5,000,000).

(b) The structure and the architectural design of the building in which the hotel is located shall conform in all respects with the design and architectural standards which the Cultural Institute has established for the area.

(c) The hotel shall be located in a building of known historical value that has been restored in accordance with the standards established by the Planning Board of Puerto Rico and the Cultural Institute of Puerto Rico.

(ii) Hotels in international airports:

a. The hotel shall have a minimum of eighty (80) rooms and, if this requirement is not met, the total amount of the investment may not be less than three million dollars ($3,000,000).

b. The hotel's building must be located on the airport's premises, and must meet all of the requirements and the approval of the Puerto Rico Ports Authority for its construction and operation.

(iii) All of the hotels comprised within Zone Number 3 must operate at all times under the strictest standards applicable to hotels located in recognized tourist centers.

(iv) All of the hotels comprised within Zone Number 3 shall maintain in their management personnel of sound moral scruples, competence and experience in the hotel industry.

Section 2.7 Qualification Requirements

(a) The Commissioner shall not issue or renew any franchise unless first verifying, pursuant to all of the pertinent standards established by the Law and this section of the Regulation, that each and every one of the persons required by the Law and the Commissioner are qualified to request that a franchise be issued to them or renewed.

(b) The following persons must prove that they are qualified to request that a franchise be issued or renewed.

(1) All persons entitled to apply for a franchise license including, but not limited to:

(i) Any person who either owns a hotel building or has a contract to purchase or construct a hotel containing a casino.

(ii) Any person who owns and/or manages a hotel with a casino or who has a contract to own and manage a hotel containing a casino.

(2) All financial sources required to qualify including financial backers, investors, mortgages, bond holders and holders of indentured notes.

(3) All persons required to qualify including:

(i) If a corporation:

(aa) No corporation shall be eligible to hold a franchise license unless each officer; each director; each person who directly or indirectly holds any beneficial interest or ownership of securities issued by the corporation or any person who in the opinion of the Commissioner has the ability to control the corporation or elect a majority of the board of directors; each principal employee; and any other person whom the Commissioner may consider appropriate for approval.

(bb) No corporation that is a subsidiary shall be eligible to receive or hold a franchise license unless each holding company and intermediary company complies with these provisions as if said holding or intermediary company were itself applying for a casino license. However, the Commissioner may waive compliance with the provisions of this section on the part of a publicly traded

corporation which is a holding company as to any officer, director, lender, underwriter, agent or employee thereof or person who, directly or indirectly, has a beneficiary interest or owns stock in said company when the Commissioner is convinced that such officer, director, surety, lender underwriter, agent, or employee is not significantly involved in the activities of the Franchise Licensee and that, in the case of security holders, do not have the ability to control the publicly traded corporation or elect one or more of its directors.

(ii) If not a corporation:

(aa) Any non-corporate applicant for a franchise license shall provide information required by these Regulations in such form as required by the Commissioner. No such applicant shall be eligible to hold a franchise license unless each person who directly or indirectly holds any beneficial interest or ownership in the applicant, or who in the opinion of the Commissioner has the ability to control the applicant or whom the Commissioner may consider appropriate for approval or qualification is so qualified.

(bb) If the applicant is not a corporation, the applicant shall produce proof of beneficial ownership. Stock ownership shall be registered in the name of bona fide persons or entities.

(iii) Notwithstanding (i) and (ii) above, and in the absence of a prima facie showing by the Commissioner that there is any cause to believe that the institutional investor may be found to be unqualified, an institutional investor holding either (1) less than 10% of the equity securities of a Franchise Licensee's holding or intermediary company, or (2) debt securities of a Franchise Licensee's holding or intermediate companies, or another subsidiary company of a Franchise Licensee's holding or intermediary companies which is related in any way to the financing of a gaming Franchise Licensee, where the securities represent a percentage of the outstanding debt of the company not exceeding 20% or a percentage of any issue of outstanding debt not exceeding 50%, may be granted a waiver to qualify if such securities are those of a publicly traded corporation and its holding of such securities were purchased for investment purposes only. Any institutional investor granted a waiver under this subsection, which is subsequently determined by the Commissioner to be influencing or affecting the affairs of the Franchise Licensee shall file the application forms for licensure within thirty (30) days of being so notified by the Commissioner.

(4) It shall be the affirmative responsibility of each Franchise Licensee or applicant to ensure that all persons required to be qualified under the Act and the rules and

regulations to establish their qualifications in connection with an initial or renewal application for a franchise license.

Section 2.8 Notice of Anticipated or Actual Changes

(a) Each Franchise Licensee or applicant shall immediately notify the Commissioner and Gaming Division, in writing of anticipated or actual changes in:

(1) Directors

(2) Officers

(3) Any other person connected with the Franchise Licensee or the holding company that is obligated to qualify.

(b) Each Franchise Licensee shall submit for approval thirty (30) days in advance to the Commissioner and Gaming Division, and Gaming Division if any person has acquired the following with respect to any publicly traded holding company:

(1) Five percent or more of any class of equity securities; or

(2) The ability to control the holding company; or

(3) The ability to elect one or more directors of the holding company.

d) Each Franchise Licensee or applicant or holding company thereof shall report immediately, in writing, to the Commissioner and Gaming Division the formation or dissolution of, or any transfer of a non publicly traded interest in, any subsidiary of the Franchise Licensee or applicant or any subsidiary of any holding company of the Franchise Licensee or applicant which bears any relationship to the casino project.

Section 2.9 Qualification of New Directors, Officers, and Other Qualifiers of a Gaming Franchise Licensee or Holding Company

(a) Any natural person required to be qualified under these regulations by virtue of his or her position with a Franchise Licensee or holding company shall not perform any duties or exercise any powers until qualified by the Commissioner or, where appropriate, until he or she is temporarily qualified by the

Gaming Division as a casino key employee pursuant to Chapter 6 of these regulations.

(b) Each person subject to (a) above shall file a Personal History Disclosure Form as approved by the Commissioner.

Section 2.10 Issuance or Transfer of Interests; Approval

No person shall issue or transfer any security or ownership interest in franchise license or applicant or any non-publicly traded subsidiary or holding company without the written approval of the Commissioner.

Section 2.11 Waiver

The Commissioner may waive or modify as he sees fit any of the requirements set forth in these Regulations if the Commissioner determines, in his sole discretion, that the waiver or modification is in the best interests of the public and the gaming industry.

Section 2.12 Franchise Licensee Applicant Eligibility

No corporation shall be eligible to apply for a franchise license unless:

(1) The corporation is incorporated in the Commonwealth of Puerto Rico, although such corporation may be wholly owned or partially owned subsidiary of a corporation that is organized pursuant to the laws of a state of the United States or of a foreign jurisdiction.

(2) The corporation maintains an office of the corporation in the premises of the Franchise Licensee.

(3) The corporation complies with all the laws of the Commonwealth of Puerto Rico pertaining to corporations.

(4) The corporation maintains a ledger in the office required paragraph 2 of this section which shall reflect the current ownership of every class of security issued by the corporation and shall be available for inspection by the Commissioner at all reasonable times without prior notice.

(5) The corporation maintains all operating accounts required under these regulations in a bank in the Commonwealth of Puerto Rico.

(6) The corporation includes, among other purposes stated in its certificate of incorporation, the conduct of casino gaming and further provider that the certificate of incorporation includes all provisions required by this section.

(7) The corporation, if not a publicly traded corporation, shall file with the Commissioner such adopted corporate charter provisions as may be necessary to establish the right of prior approval by the Commissioner with regard to transfers of securities, shares and other interests in the applicant corporation; and if it is a publicly traded corporation, provide in its corporate charter that any securities of such corporation are held subject to the condition that if a holder thereof is found to be disqualified by the Commissioner, such holder shall dispose of his interest in the corporation.

(8) The corporation, if not a publicly traded corporation, shall establish to the satisfaction of the Commissioner that appropriate charter provisions create the absolute right of such non-publicly traded corporations and companies to repurchase at the market price or the purchase price, whichever is the lesser, any security, share or other interest in the corporation in the event the Commissioner disapproves a transfer in accordance with the provisions of this section.

(9) Any holding, intermediary, or subsidiary company of the corporation, whether the corporation is publicly traded or not, shall establish to the satisfaction of the Commissioner that its charter provisions are the same as required under paragraph 8 of this section.

Section 2.13 License Standards (Affirmative Criteria)

(a) It shall be the affirmative responsibility of each applicant and Franchise Licensee to establish by clear and convincing evidence his individual qualifications, and for a Franchise Licensee the qualifications, of each person who is required to be qualified under this chapter;

(b) Any applicant, Franchise Licensee or any other person who must be qualified pursuant to this section shall provide all information required by this chapter and satisfy all requests for information pertaining to qualification and in the form specified by the Commissioner. All applicants and Franchise Licensees shall waive liability as to the Government of the Commonwealth of Puerto Rico, its agencies and instrumentalities, for any damages resulting from any disclosures or publication of any material or information acquired during inquiries, investigations or hearings.

(c) All applicants, Franchise Licensees, intermediary companies and holding companies shall consent to inspections, searches and seizures.

(d) All applicants, Franchise Licensees and other persons who are qualified pursuant to this section shall have the continuing duty to provide any assistance or information required to the Commissioner, and to cooperate in any inquiry or investigation or hearing conducted by the Commissioner or Gaming Division. The Commissioner may deny or revoke the application, the franchise, or the qualification of any applicant, Franchise Licensee, or any other person who should be qualified pursuant to this section who refuses to obey a formal request to respond or contribute information, evidence, or testimony.

(e) Each applicant or person who must be qualified under this section shall be photographed and fingerprinted for identification and investigative purposes in accordance with procedures established by the Commissioner.

(f) Any person who must be qualified pursuant to this section in order to hold the securities of a Franchise Licensee or any holding or intermediary company of a Franchise Licensee may apply for qualification status prior to the acquisition of any such securities. The applicant shall be subject to the provisions of this section and shall pay for the costs of all investigations and proceedings in connection with the application.

Section 2.14 License Standards (Disqualification Criteria)

(a) The Commissioner shall deny a franchise license to any applicant who is disqualified in the basis of any of the following criteria:

(1) Failure of the applicant to prove by clear and convincing evidence that the applicant is qualified in accordance with the provisions of this section.

(2) Failure of the applicant to provide information, documentation and assurances required by the Act and regulations and requested by the Commissioner, or failure of the applicant to disclose any fact material to qualification, or the supplying of information which is untrue or misleading as to a material fact pertaining to the qualification criteria.

(3) The conviction of a felony offense of the applicant or of any person required to be qualified under this section as a condition of a franchise license of any offense in the Commonwealth of Puerto Rico or any other jurisdiction. However, the automatic disqualification provisions of this subsection shall not apply with regard to any conviction that has been the subject of a judicial order of expungement.

(4) The conviction of the applicant under the laws of the Commonwealth of Puerto Rico, the laws of any other jurisdiction or federal law for any felony or misdemeanor that implies moral depravity.

(5) Current prosecution or pending charges in any jurisdiction of the applicant or of any person who is required to be qualified under this section as a condition of a franchise license, for any offense specified in paragraphs 3 and 4 of this section; provided, however, that at the request of the applicant or the person charged, the Commissioner may defer a decision on such application while such charge is pending.

(6) The identification of the applicant or any person who is required to be qualified under this section as a condition of a franchise license as a habitual criminal or a member of organized crime, or as an associate of a habitual criminal or organized crime.

Section 2.15 Licensing Standards (Other Requirements)

a) The Commissioner may issue a franchise license if the Commissioner determines based on all the facts before him that the applicant meets the criteria for licensure.

b) In making the required determinations, the Commissioner may consider the following factors and criteria, among others the integrity of the applicant and any personnel employed by the applicant in the operation of the casino. This determination shall take into account, among other things, the following:

(1) Any criminal record of any individual who is required to qualify under this section;

(2) The involvement by the applicant or any individuals or entities employed by the applicant in litigation over business practices;

(3) Experience in operating casinos;

(4) Failure to satisfy any judgment or order or decree from any court;

(5) Financial ability to develop and operate a facility successfully including the following:

(a) Ownership and control structure;

(b) Amounts and reasonableness of development costs;

(c) Current financial status;

(d) Sources of equity and debt funding and the certainty of financing commitments;

(6) Capacity and aptitude of the managers, consultants, and other contractors to develop and carry out the operations of a casino franchise.

(c) The Commissioner may also consider any other information that the applicant discloses, or that comes up in the pertinent investigation, that helps him make an accurate decision.

Section 2.16 Licensing Standards (Financial Stability)

a) The Commissioner shall take into account any relevant evidence of financial stability of the Franchise Licensee and applicant; however, a Franchise Licensee or applicant shall be deemed to be financially stable if it established by clear and convincing evidence that it meets each of the following standards:

(1) The ability to guarantee the financial integrity of the casino operations by maintaining a casino bankroll or equivalent provisions to pay winning wagers to casino patrons when due. A Franchise Licensee or applicant shall be deemed to have satisfied this standard if it complies with Section 3.12 and 3.26 of these Regulations, as applicable;

(2) The ability to meet ongoing operating expenses that are essential to the maintenance of continuous and stable casino operations;

(3) The ability to pay all taxes and fees imposed by the Act and these Regulations;

(4) The ability to make necessary capital and operating expenditures in timely fashion;

(5) The ability to pay, exchange, refinance, and extend debts, including long and short-term principal and interest and any capital lease obligations, which will mature or otherwise come due and payable during the license term.

Section 2.17 Continuing Assessment of Financial Status

(a) No Franchise Licensee shall consummate a material debt transaction that involves the following without the prior approval of the Commissioner. Any transaction not specified in this subsection shall not require the approval of the Commissioner.

(1) An agreement that provides for any borrowing for a purpose other than capital and maintenance expenditures.

(2) A guarantee of debt of an affiliate, whether by signing a note or otherwise, an assumption of the debt of an affiliate, or an agreement to impose a lien on the approved casino hotel facility to secure the debts of an affiliate.

(b) In reviewing any transaction pursuant to the foregoing, the Commissioner shall consider whether the transaction would deprive the Franchise Licensee of financial stability taking into account the financial condition of the affiliate and the potential impact of any default on the Franchise Licensee.

Section 2.18 General Requirements for the Recommendation of the Gaming Division

In addition to the requirements set forth in sections 2.2, 2.3, 2.4, and 2.5 in connection with the issuance of the Endorsement Letter by the Company, the Gaming Division will also evaluate each applicant for a franchise license for compliance with the following requirements:

(a) Be a natural or legal person, or group of persons, or a partnership, which has the intention and capability, in the opinion of the Company, to establish and/or operate those tourist facilities and those other facilities that the Company requires as a condition to grant the requested franchise.

(b) Own and manage a hotel in which the casino shall be established which permits tourists the use of its facilities.

(c) Have the means and organization to establish a casino appropriate for tourists in the hotel it owns and/or manages.

(d) Be responsible for maintaining the hotel where the casino will operate at the level of well-known first class hotels.

(e) Be responsible for maintaining its facilities and those accommodations and attractions (for example, restaurants and entertainment centers, among others) which may be required by the Company at the level of international standards and which best serve to promote tourism.

(f) Establish and maintain operating a hotel that at least complies with the minimum requirements listed in section 2.6 of these Regulations.

Section 2.19 Determinations of Other Gaming Jurisdictions

During the course of the investigation process for the approval of prospective Franchise Licensees, the Commissioner may, at his discretion, recognize and accept, in whole or in part, the franchise licensing decisions of other political jurisdictions. The Commissioner may give significant weight to the decisions concerning the granting of casino licenses made by regulators in New Jersey, Nevada and Mississippi.

Section 2.20 Renewal of Franchise Licenses

(a) Subject to the authority of the Commissioner and the Gaming Division to deny, revoke, or suspend franchise licenses, any franchise license in effect shall be renewed by the Commissioner for the next succeeding license period upon proper application for renewal and payment of application fees and investigative costs as required by these Regulations.

(b) The license period for a renewed franchise license shall be three years. After the initial two license terms, the renewal periods shall be four years.

(c) An application for renewal shall be filed with the Commissioner no later than 90 days prior to the expiration of the current license, and all license fees and any other sanctions or fines imposed by the Commissioner as required by law shall be paid to the Commissioner, as appropriate on or before the date of expiration of the license.

(d) Upon adoption of these regulations, the Commissioner shall establish an initial schedule for the renewal of existing gaming Franchise Licensees, commencing with the earliest franchise license issued. The renewal of existing franchise licenses shall require each Franchise Licensee to complete a renewal application form and submit to licensing investigations as set forth in this section.

(e) Upon renewal of any license, the Commissioner shall issue an appropriate certificate and validating device or sticker that shall be placed in a visible and accessible place within the casino.

Section 2.21 Investigation Fees for New Applications and Renewals

(a) Each applicant or Franchise Licensee shall pay for the investigative costs attributable to that applicant or Franchise Licensee.

(b) Each applicant for a franchise license or an applicant to renew a franchise license shall pay a non-refundable application fee of $25,000 upon the filing of the application.

(c) In addition, Franchise Licensee applicants shall pay an initial fee of $15,000 to defray investigation costs.

(d) The Commissioner shall have the authority to request additional investigative fees as necessary to conduct the investigations contemplated by this section.

(e) Failure by an applicant or Franchise Licensee to pay the application fee or investigative costs shall be cause to deny the application or revoke a franchise license.

Section 2.22 Location and Number of Franchises.

The Company may determine, at its sole discretion, the location of the casinos and the number of franchises that may be issued in each zone.

Section 2.23 Acceptance of Rules and Conditions.

(a) Upon acceptance of the franchise issued by the Commissioner, the Franchise Licensee agrees to accept and comply with all the conditions and rules that the Company and the Commissioner promulgate with respect to the details of the functioning of the operation of the casino.

(b) No Franchise Licensee may locate its casino at a site or place other than the one designated in the franchise.

Section 2.24 Opening of the Casino.

No casino may open to the public until the hotel is open to the public.

Section 2.25 Persons and Hotel Authorized to Exploit the Franchise.

(a) No one other than the Franchise Licensee and its employees may operate a casino. The casino may not be located in a site other than the site designated in the franchise without the prior authorization of the Commissioner and the Company; nor may it relocate the casino within the hotel without the prior authorization of the Company.

> Example: If Company X ("Company"), owner of Hotel H ("Hotel") requests and obtains from the Commissioner a franchise to operate a casino in the Hotel, then the Franchise Licensee shall be the Company and the Hotel shall be the authorized hotel where the casino will be located. The Company or its employees (solely those employees who appear in the Company's payroll) shall be the only ones authorized to operate the casino of the Hotel. Under the franchise granted to the Company, the

Company may never subcontract third persons to manage or operate the casino in the Hotel.

(b) All Franchise Licensees must be the (i) owner or holder of the hotel where the casino is located, or (ii) manager or operator of the hotel where the casino is located.

Example 1: Company X ("Company"), owner of Hotel H ("Hotel"), hires Subcontractor S ("Subcontractor") to operate the casino that it will establish at the Hotel. The Hotel is operated by the Subcontractor. In this case, the Subcontractor shall be authorized to be the Franchise Licensee, since it operates the Hotel as well as the casino. Now then, the case where the Hotel would be operated be Contractor C ("Contractor"), then the Subcontractor would not be authorized to be the Franchise Licensee of the casino since it does not meet the requirement of owning and operating the hotel where the casino is located.

Example 2: Company X ("Company"), owner of Hotel H ("Hotel") shall operate the casino that it will establish in the Hotel. The Hotel shall be operated by the Subcontractor. In this case, the Company would be authorized to be the Franchise Licensee since it shall operate the same and it is also the owner of the hotel where the casino is located, thus complying with the provisions of these regulations.

Section 2.26 Non-transferability of the Franchise; New Application.

(a) All gaming franchises granted under the Act are non-transferable. No gaming franchise may be transferred or assigned by the Franchise Licensee. Any assignment or transfer of the franchise shall entail the cancellation of the franchise.

(b) All new acquirers, owners, or operators of a casino shall apply for a new franchise in order to operate the casino and their application shall be processed as a new franchise.

Section 2.27 Change in the Franchise Licensee; Transfer of Property; Prior Approval of the Commissioner and the Company.

(a) When the Franchise Licensee of a casino franchise is a corporation, a partnership, or any other legal entity:

(1) No shares or participation in said corporation, partnership or legal entity may be transferred or assigned without the prior written approval of the Commissioner and the Company; and

(2) No shares or participation in any parent company or intermediary of the Franchise Licensee, which represent five per cent (5%) or more of the total issued and outstanding shares or of the total participation in the same, may be transferred or assigned without first obtaining the prior written approval of the Commissioner and the Company. This subparagraph shall not apply to such parent company or intermediary of a Franchise Licensee that is a publicly traded corporation.

(b) The property of a hotel where a casino is operated may not be transferred or otherwise assigned, whether through sale or assignment of shares or assets, or otherwise, without the prior written approval of the Commissioner and of the Company.

(c) The Franchise Licensee shall notify and request the approval of the Commissioner and the Company of any transfer or assignment of the type described in paragraphs (a) and (b) above.

(d) Failure to notify or obtain approval of any transfer or assignment of shares or participation in the corporation or partnership holding a franchise, or concealment in any way of the true owner or owners of a casino or of any share or participation in the person holding a franchise shall be sufficient cause for cancellation of the casino franchise.

Section 2.28 Notice in the Event Bankruptcy and Liquidation.

All Franchise Licensees must notify the Company and the Commissioner in the event of bankruptcy or liquidation of the corporation or partnership holding a casino franchise within thirty

(30) days following the filing of the bankruptcy or agreement to liquidate.

Section 2.29 Franchise Fees.

(a) All franchises issued under the Act shall be subject to an annual payment by the Franchise Licensee to the Commissioner, by certified check payable to the Secretary of the Treasury for the franchise fee which shall be payable quarterly in advance and shall be determined in accordance with the following table:

TOTAL PLAYED ANNUALLY	ANNUAL PAYMENT FOR FRANCHISE FEE
Less than $25 million	$ 50,000.00
In excess of $25 million, up to $50 million	$100,000.00
In excess of $50 million, up to $100 million	$150,000.00
In excess of $100 million	$200,000

(b) Revenues from franchise fees to operate a casino shall be deposited in the General Fund of the Secretary of the Treasury.

(c) At the end of its tax year, each Franchise Licensee shall submit to the Commissioner a copy of its certified financial statements, together with a special opinion from the certified public accountant who certified the same, in which he certifies the total played in table games and slot machines during the year.

CHAPTER 3

OPERATION OF THE CASINO

Section 3.1 Advertising; General Rule.

(a) Any Franchise Licensee of a casino duly authorized to operate in Puerto Rico may advertise or promote itself within the jurisdiction of Puerto Rico, only and exclusively when its advertisements or promotions:

(1) are directed at foreign tourists, even though said advertisements incidentally may reach the residents of Puerto Rico, and

(2) do not invite residents of Puerto Rico to visit the casinos.

(b) In accordance with the provisions of paragraph (a) above, all casino Franchise Licensees duly authorized to operate in Puerto Rico are authorized to:

(1) Distribute and place advertisements or promotions of its casinos in:

(i) airplanes that have landed in Puerto Rico;

(ii) cruise ships that are in Puerto Rico territorial waters;

(iii) areas restricted to passengers in Puerto Rico airports; and

(iv) tourist piers in Puerto Rico;

(2) Publish advertisements or promotions of its casinos in magazines or other publications the distribution in Puerto Rico of which is mainly directed or oriented to informing foreign tourists of the tourist attractions and facilities of Puerto Rico, even though such magazines may be also accessible to residents of Puerto Rico;

(3) Publish advertisements or promotions in newspapers and magazines, tape or film advertisements in movies, television or radio of its casinos for the promotion of foreign tourism in

Puerto Rico, even though the same may be incidentally circulated or shown in Puerto Rico; and

(4) Place advertisements or promotions of its casinos within the hotel premises.

(c) Under no circumstances shall the above list be deemed to limit any other type of advertisement or promotion, provided that the advertisement or promotion complies with the public policy of promoting foreign tourism. Any advertisement or promotion of a casino shall be submitted in advance to the Company for its approval.

(d) Nothing of the above-mentioned shall be interpreted as preventing that the name of a hotel includes the word "casino" or any other word that implies that such hotel has a casino. Except as otherwise provided in this section and in section 3.1 of these Regulations, when the word "casino" is used as part of the name of the hotel, it shall be of a size similar to the rest of the name of the hotel and may never be used on its own.

Section 3.2 Hours of Operation; Prohibition to Open on Good Friday.

(a) Any casino operated under a franchise issued by the Commissioner in accordance with the terms of the Act may operate twenty-four (24) hours a day, seven (7) days a week, subject to the provisions of this section.

(b) The hours of operation of any Franchise Licensee of a casino franchise, which, as of the effectiveness of these Regulations, is operating a casino, shall be deemed to be the hours of operation approved by the Company.

(c) Any Franchise Licensee of a new casino franchise shall request, in writing, to the Company at least thirty (30) days prior to opening to the public, the approval of its proposed hours of operation. Such request shall include the following information:

(1) the name of the Franchise Licensee and the hotel where the casino is located;

(2) the proposed hours of operation and the period during which those hours of operation will be in effect; and

(3) the commitment of the Franchise Licensee to make available to the Company the physical facilities or services that the Company deems necessary to adequately supervise and oversee the casino operations of the Franchise Licensee in accordance with the terms of the Act and the Regulations.

(d) The Company may impose any conditions as a requirement for approving different hours of operation from those approved at that time.

(e) Any Franchise Licensee who wishes to modify the timetable approved by the Company shall request, in writing to the Company, the proposed modification at least ten (10) days before the date in which the Franchise Licensee desires the modification to take effect. The request shall contain the following information:

(1) the name of the Franchise Licensee and the hotel where the authorized casino is located;

(2) the hours of operation approved and the proposed modification to the same;

(3) the commitment of the Franchise Licensee to make available to the Company the physical facilities and services that the Company may deem necessary to adequately supervise and oversee the casino operations of the Franchise Licensee in accordance with the provisions of the Act and the Regulations; and

(4) the period during which the proposed modification will be in effect.

(f) The Company, at its discretion, shall decide if it approves the requested hours of operation in accordance with paragraph (c) above or the proposed modification to the approved hours of operation requested in accordance with paragraph (e) above. The proposal presented in accordance with paragraphs (c)

and (e) above shall be deemed approved within the ten (10) days following the filing of the request at the Company unless the Company notifies petitioner otherwise in writing.

(g) Every casino shall close its operations on Good Friday beginning at 12:01 a.m. (midnight) of Friday until 12:01 p.m. (noon) of the following day (Saturday).

(h) Every casino shall maintain in operation any three (3) table games during the period of 12:01 p.m. to 3:59 a.m. Every casino authorized by the Company to operate during the period from 4:00 a.m. to 12:00 p.m. (noon) may operate its slot machines without any obligation to keep table games available to the public during such hours.

(i) The approved hours of operation of the casino shall be announced in a conspicuous place within the casino that is visible to everyone entering the casino. A Franchise Licensee may never close later than the approved time of closing, nor open earlier than the approved time of opening.

(j) A Franchise Licensee may close before the approved time of closing provided that it announces to the Inspector, the public present and everyone who enters the casino the new time of closing at least three (3) hours in advance; provided that the change in the time of closing shall be announced, at a minimum, at the entrance of the casino visible to everyone entering the casino and at each gaming table. Once the announcement is made, said time shall not be altered, except in cases of sudden emergency or *force majeure*.

Section 3.3 Entertainment.

(a) All Franchise Licensees may present variety and/or entertainment shows inside the casino in accordance with the provisions of this section.

(b) Any Franchise Licensee interested in presenting a variety and/or entertainment show shall submit a written petition to the Company at least twenty (20) days prior to the date in which

it would like to present said variety and/or entertainment show in its casino.

(c) The above-mentioned petition shall include the following information:

(i) date and time scheduled for the variety and/or entertainment show;

(ii) a detailed description, either written or able to be electronically reproduced, of the type of show to be offered;

(iii) the number of persons who will participate in the show and the staging or scenery to be used in the same;

(iv) the exact location of the place within the casino where such show will take place; illustrating the same on a diagram of the casino;

(v) the additional security or surveillance measures that will be taken before and during the show;

(vi) written certification subscribed by the supervisor of the Franchise Licensee or the person in charge of the security of the casino to the effect that such show will not affect the security and integrity of the casino operations; and

(vii) any other information with respect to the petition that the Company may deem necessary.

(d) For the approval or denial of the petition, the Company shall take into consideration factors such as if the variety and/or entertainment show could affect the efficient operation, security, overseeing and supervision of the casino or any other factor which the Company may consider important for the protection of the integrity of the casino operation.

(e) The petition submitted in accordance with paragraph (c) above shall be deemed approved unless the Company notifies the petitioner to the contrary in writing within ten (10) days after filing of the application with the Company.

(f) The promotion of variety or entertainment shows in a casino shall be permitted only within or in the surroundings of the casino where the same will take place.

(g) No Franchise Licensee shall promote or advertise a variety and/or entertainment show until approval of the same has been obtained from the Company in accordance with the provisions of this section.

(h) The Company may, at any time, request Franchise Licensee to immediately cease the presentation of any entertainment and/or variety show which is being presented in its casino if the same differs from the description contained in the petition of the Franchise Licensee, or from the requirements established in this section, or whenever the Company understands that the integrity and security of the casino operation is affected.

(i) No type of variety and/or entertainment show, either live or reproduced by means of any electronic mechanism, which may be considered in bad taste or offensive may be presented in a casino.

Section 3.4 Alcoholic Beverages.

(a) Casino Franchise Licensees and their employees may serve alcoholic beverages in their casinos as long as they have obtained a retail liquor license in accordance with the provision of Act No. 143 of June 30, 1969, as amended, or any successor law, or any other necessary license or authorization, and subject to the provisions of Article 163 of the Penal Code and any other applicable law or regulations.

(b) Subject to the provisions of paragraph (a) of this section, none of the restrictions and prohibitions related to the periods of time during which alcoholic beverages cannot be sold or

served, whether of a statutory, administrative, municipal or any other type, including, but not limited to, Section 229 of the Military Code, shall be applicable to duly authorized casino Franchise Licensees.

(c) Notwithstanding the provisions of paragraph (b) above, no Franchise Licensee shall serve alcoholic beverages to persons who are not guests of the hotel during any period when the prohibitions or restrictions described in the above paragraph are in effect.

(d) No Franchise Licensee, through its employees (waiters, waitresses, bartenders, croupiers, supervisors, among others) shall sell, offer or make available alcoholic beverages to a person in its casino unless said person has requested it.

(e) No employee of a Franchise Licensee shall consume alcoholic beverages during his regular hours of employment or during any extension thereof, except for those employees of the Franchise Licensee who, by reason of their functions, have been authorized to that effect by the Franchise Licensee; provided, however, that the Franchise Licensee shall previously notify the Company in writing the names of the employees so authorized. The Franchise Licensee shall be responsible for providing the necessary measures for its employees to strictly comply with this provision.

(f) Any Franchise Licensee who wishes to place a bar for the consumption of alcoholic beverages within a casino shall, in addition to any required license, permit or authorization, request from the Company its authorization of the place within the casino where it desires to locate the bar. The above provision shall not be interpreted as exempting the Franchise Licensee from requesting, obtaining and maintaining the necessary permits, authorizations and licenses required under the applicable laws and regulations for the consumption of alcoholic beverages.

(g) All Franchise Licensees shall notify the Company of the form and manner in which each will offer, sell or compliment the alcoholic beverages to the public.

Section 3.5 Admission.

(a) Persons under eighteen (18) years of age will not be permitted access to a casino.

(b) It shall be the responsibility of the Franchise Licensee to establish and supervise the implementation of the necessary security measures to observe strict compliance with this provision.

Section 3.6 Rules for Players.

(a) Players and visitors will act with utmost decorum in the casino, without raising their voices in an unseemly manner and/or making gestures or acts which may irritate the other persons in the casino and/or interrupt the normal conduct of the game.

(b) The casino Franchise Licensee shall not permit any person to enter or remain in any casino in an apparent state of intoxication.

(c) Each casino Franchise Licensee shall determine the dress code that it will require from its clients, as long as an image of propriety and decorum for a casino are maintained.

(d) No person shall be permitted to take photographs or film within a casino at any time without the prior written authorization of the Company.

(e) The Franchise Licensee is authorized to prohibit the entrance and/or continuance in the casino of any person whom deems constitutes a hindrance to its operation or that offends or disturbs the well-being and tranquility of the employees or players.

Section 3.7 Rules for Employees.

(a) Every casino employee shall comply with the following obligations, in addition to those stated in their respective employment contracts:

(1) Treat the public with politeness and courtesy.

(2) Refrain from making comments with respect to wagers or advising the players.

(3) Refrain from requesting tips from players and from acts or gestures that may lead to obtainment of such tips.

(b) No casino employee shall play and/or bet directly or indirectly or in any other manner play in the casino where he works or in any other authorized casino in Puerto Rico even after working hours. Any person who has ceased to work and still holds a valid license issued by the Tourism Company, must surrender the same before betting and/or playing in a casino.

(c) Every casino employee shall observe the strictest and utmost honesty in the performance of his work in the casino.

(d) The Company may, at its discretion, suspend or revoke, temporarily or permanently, any Employee's License issued in accordance with these Regulations to any employee of a Franchise Licensee and/or service company who violates the provisions of this section.

Section 3.8 Casino Rules; Approval.

(a) No games shall take place in a casino until such time as the Company has approved the rules that apply to such games and such casino.

(b) Any new casino Franchise Licensee shall submit at least thirty (30) days before opening to the public a proposal of the rules that shall contain the following information:

(1) the games which it proposes to carry out; and

(2) the maximum and minimum wager that it will accept for each game.

(c) Any casino Franchise Licensee who has a casino franchise at the time these Regulations go into effect shall submit to the Company within thirty (30) days from the effective date of these Regulations the following information:

(1) the games it intends to carry out; and

(2) the maximum and minimum wagers which it will accept for each game.

(d) The Company may approve, amend or reject the proposal of the rules submitted; provided that if the same is not amended or rejected by the Company within thirty (30) days following the filing of the same with the Company the same shall be deemed approved.

Section 3.9 Rules of the Games.

(a) All basic rules to regulate the different games prescribed by the Company, including those adopted for experimental periods in accordance with Section 9.2 of these Regulations, as well as the odds paid by the different authorized games which are conducted in the casino, shall be available in Spanish and English for all players in a casino, as approved by the Gaming Division.

(b) The maximum and minimum wagers that are accepted for the different games which are conducted in a casino shall be prominently displayed with signs placed at the gaming table to which said maximum and minimum correspond; provided that such limits shall not exceed the maximum and minimum permitted for each game under these Regulations or under those rules that may have been approved for experimental periods in accordance with Section 9.2 of these Regulations for each game.

(c) Gatherings at tables and casinos is prohibited.

(d) The Company may, in each case, establish a limit with respect to the number of persons that may gather in a casino.

(e) The English and Spanish text of the rules for admission to the casino shall be located in a visible location immediately before the entrance to the casino.

(f) A copy of the Regulations in effect shall be kept in the casino and be available to the public at all times.

Section 3.10 Rules Applicable to all Games.

(a) The games shall be conducted strictly in accordance with the rules specified for each game in these Regulations, or those

special rules that have been previously approved in writing by the Company for specific situations, as for example for tournaments, or those rules that have been adopted for experimental periods in accordance with Section 9.2 of these Regulations.

(b) No player shall make or change his wager(s) after the employee of the respective table indicates that no more wagers are allowed.

(c) Wagers shall be made with chips that represent for the Franchise Licensee values payable to bearer. The cashier shall pay the same to whoever presents them, with legal tender of the United States of America, at the same price that is printed on the chip. Provided that the Franchise Licensee shall not be obligated to redeem chips obtained outside its casino or when it has justifiable reasons for refusing to redeem the same.

(d) All Franchise Licensees shall maintain signs, in Spanish and English, in visible locations indicating to visitors that the chips should be redeemed before leaving the casino.

(e) Players shall limit their wagers to the maximum amounts set by the house, which shall never exceed the maximum limits permitted under these Regulations or in those rules that have been adopted for experimental periods in accordance with Section 9.2 of these Regulations. In the event that any player makes a wager which exceeds said maximum, the wager shall be considered valid up to said maximum, and the amount which exceeds the maximum shall be returned to the player as if it had never been bet.

(f) Each Franchise Licensee shall establish the minimum and maximum limits for every game in its casino, as long as the same do not exceed the maximum limits, nor are less than the minimum limits, authorized by the Company; however, the limits shall be approved by the Company before they are put into effect as provided in section 3.12 of these Regulations.

(g) At no time and under no circumstances shall cash wagers be accepted at the gaming tables; wagers will only be made with the chips obtained at the different gaming tables.

(h) Every Franchise Licensee or its representative may, at its discretion, extend credit to players that request it.

(i) There shall be no sales of less than five dollars ($5.00) in chips to anyone.

(j) Franchise licensee shall assign the employees for the gaming tables.

(k) No employee or official of the Company, who has administrative, investigative and/or executive functions either directly or indirectly related to the application, interpretation, inspection or overseeing of the Act and of the Regulations may make, be it directly or indirectly, any type of play or wager in places where games of chance are conducted, nor obtain or receive any participation or interest in entities that possess a casino franchise or a casino service industry license.

(l) No employee or official of the Company shall solicit nor receive tips from the players.

(m) If a Franchise Licensee needs to close a game table open to the public where players are gambling, he shall notify the Inspector and the players at least fifteen (15) minutes prior to closing such table.

Section 3.11 Bond.

Each Franchise Licensee shall post a bond with the Company covering a minimum of one hundred thousand dollars ($100,000.00), or a larger amount, as the case may be, to guarantee payment to the public of the gaming debts of Franchise Licensee. Prior approval of said bond by the Company and effectiveness of the same are indispensable requirements for the operation of any casino.

Section 3.12 Cash and Bonded Checking Account.

(a) Each Franchise Licensee shall have on hand when it opens the casino to the public, during daytime and nighttime hours of

operation, an amount not less than fifty thousand dollars ($50,000.00) in cash if it operates Roulette, Easy Roll and Paulson's Draw Poker with maximums of twenty dollars ($20.00), and Craps, Black Jack, Mini Baccarat, Pai Gow Poker, Pai Gow Tiles, 3 Card Poker, 3 Way Action, and Triple Shot tables with maximums of two hundred dollars ($200.00).

(b) Tables with higher limits shall not be operated with the minimum reserves provided in paragraph (a) of this section. Provided that to operate Roulette, Easy Roll and Paulson's Draw Poker with maximums of fifty dollars ($50.00), Craps, Black Jack, Mini Baccarat, Pai Gow Poker, and Pai Gow Tiles, 3 Card Poker, 3 Way Action, and Triple Shot tables with maximums of five hundred dollars ($500.00) and Baccarat tables with maximums of two thousand dollars ($2,000.00) an additional amount of twenty thousand dollars ($20,000.00) for each table operated. Provided, further, that to operate Roulette, Easy Roll, and Paulson's Draw Poker with maximums of one hundred dollars ($100.00), Craps, Black Jack, Pai Gow Poker, and Pai Gow Tiles with maximum of one thousand dollars ($1,000.00) and Baccarat tables with maximum of four thousand dollars ($4,000.00), an additional minimum bank shall be required of up to forty thousand dollars ($40,000.00) per table operated and, to operate Roulettes, Easy Roll, and Paulson's Draw Poker with maximum of one hundred fifty dollars ($150.00), Craps, Black Jack, Mini Baccarat, Pai Gow Poker, Pai Gow Tiles, 3 Card Poker, 3 Way Action, and Triple Shot with maximums of two thousand dollars, and Baccarat tables with maximums of six thousand dollars ($6,000.00), an additional amount of minimum bank shall be required of up to sixty thousand dollars ($60,000.00) per table operated. It is provided that to operate Big Six Wheel and Caribbean Stud Poker tables, a sum of twenty thousand dollars ($20,000.00) in addition to the minimum per table bank shall be required and an amount of not less than the maximum payout authorized per Let It Ride table operated.

(c) Provided, that the amount in addition to the minimum reserves shall increase by ten thousand dollars ($10,000.00) per table over the sixty thousand dollars ($60,000.00) required by the last category described above as follows:

(1) for each additional twenty-five dollar ($25.00) increase over one hundred fifty dollars ($150.00) on the limits for Roulette, Easy Roll and Paulson's Draw Poker;

(2) for each additional five hundred dollar ($500.00) increase over two thousand dollars ($2,000.00) on the limits for Craps, Black Jack, Mini Baccarat, Pai Gow Poker, Pai Gow Tiles, 3 Card Poker, 3 Way Action, and Triple Shot; and

(3) for each additional one thousand dollar ($1,000.00) increase over six thousand dollars ($6,000.00) on the limits for Baccarat.

(d) Provided, further, that, in the alternative, each Franchise Licensee may keep a minimum cash amount of one hundred thousand dollars ($100,000.00) on hand, and any additional amount required under the formula set forth above may be deposited in a bonded checking account.

(e) A copy of said deposit shall be kept in the cage and turned over to any authorized representative of the Company and the Commissioner whenever one of them requires it.

Section 3.13 Minimum Reserves - Gaming Tables.

To guarantee payment of the wagers at the gaming tables, every casino Franchise Licensee shall have on hand, in the establishment, a minimum cash amount of fifty thousand dollars ($50,000.00) when it operates under the minimum reserves provided in paragraph (a) of section 3.12 of these Regulations, or of one hundred thousand dollars ($100,000.00) when it operates under the alternative provided in paragraph (d) of section 3.12 of these Regulations. If this deposit decreases considerably during the gaming process to an extreme where the possibility exists that the house may not pay the claims against its reserves, the same shall be replenished

immediately and under no circumstances shall the Inspector, after a conscientious analysis, permit the games to continue without due guaranty that the holders of chips will be paid for those chips that they hold at the end of play. The money collected at the different gaming tables may be used at any time by the Franchise Licensee to replenish the reserves.

SUBCHAPTER - ROULETTE GAME

Section 3.14 Roulette.

The game of roulette shall be played in all authorized casinos in accordance with the rules provided below.

Section 3.14.1 Number of Players.

At a roulette table, no more than seven (7) players shall be permitted to play at a table with one layout and no more than fourteen (14) at a table with two layouts.

Section 3.14.2 Personnel

(a) Each roulette table with one layout shall have one croupier who shall operate the gaming table. This employee shall oversee that the rules of the game are complied with and shall enlighten the public with respect to the same. He shall also be the only person authorized to rotate the roulette wheel, pick up losing wagers and pay winning wagers. At Franchise Licensee's discretion, there shall be another employee to assist the croupier in his work, but his only duty shall be to collect and stack the chips.

(b) The Franchise Licensee reserves the right to assign the employees of each roulette table.

(c) The player has the prerogative to request Franchise Licensee or its manager to change the croupier as long as there is no opposition from one or more players at the table and never before the croupier has spun the ball at least five (5) times. Players shall never abuse this privilege.

Section 3.14.3 Procedure

The players shall begin to make their wagers by placing chips on the different numbers and other bets as they are marked on the layout. The croupier shall make the roulette wheel spin then throwing in the ball in a direction opposite to the rotation of the wheel. Players may continue to place their wagers until the croupier announces "No More Bets, Please". Wagers placed after this announcement shall not be valid and the chips shall be returned to the player. As soon as the ball comes to rest in any of the metal compartments of the wheel, it will mark the winning number, the winning color and the simple and double chips that have won. Immediately the croupier shall announce the winning number aloud and mark it on the layout before proceeding to collect losing wagers and pay winning ones. The signs "0" and "00" will always win over simple and double "**chanza**" wagers.

Section 3.14.4 Limits

At the request of the Franchise Licensee, the Company shall authorize roulettes with gaming limits of one dollar ($1.00) minimum per position to one thousand dollars ($1,000.00) maximum per play; provided that the maximum limit per play that is established for any wager placed on any position which pays odds of 2 to 1, or Even (Columns, Dozens, Color, Evens or Odds and High and Low) shall be the product of the established maximum limit and the number of opportunities established for said position on the table below. The maximum limit per play that is established for any wager placed on any position paying higher odds than 2 to 1 **(**Straight, Split, Street, Square, Line (0-1-2-3), Line (1-2-3-0-00) and Line**)** shall be the maximum limit authorized for that table. It is understood that the player shall not play less than the established minimum per play. At the discretion of the Franchise Licensee, twenty-five cent ($0.25) (quarters) chips may be used at the tables with a minimum limit of one dollar ($1.00) or two dollars ($2.00) per play.

When establishing the playing limits for the roulettes, the Franchise Licensee shall be obligated to maintain a difference of not less than ten (10) times between the minimum playing limit and maximum playing limit. For example, a roulette with a minimum limit of one dollar ($1.00) shall have a maximum limit of at least ten dollars ($10.00).

TYPE OF WAGER, OPPORTUNITY AND PAYOUT ODDS

WAGERS	NUMBER OF OPPORTUNITIES	PAYOUT ODDS
Straight	1	35 to 1
Split	2	17 to 1
Street	3	11 to 1
Squares	4	8 to 1
Line (0-1-2-3)	4	8 to 1
Line (1-2-3-0-00)	5	6 to 1
Line	6	5 to 1
Columns	12	2 to 1
Dozens	12	2 to 1
Color	18	Even
Even or Odd	18	Even
High or Low	18	Even

For example, a play on a column shall have a maximum limit of the product of the maximum authorized playing limit, multiplied by the number of opportunities that are played (that is, 12). Therefore, a player shall not be prohibited from reaching the limits established in this manner. The maximum limit of play on a straight number shall not exceed the authorized maximum, that is, the maximum may be played as long as a straight number does not exceed the maximum amount authorized. The minimum and maximum limits established by the Franchise Licensee for each table at the beginning of each shift of operation may be changed during the course of the corresponding shift, provided that the Franchise Licensee or its authorized representative informs the Inspector and the public at the gaming table at least fifteen (15) minutes in advance that the minimum

and/or maximum limit shall be increased to an amount that shall not exceed the authorized limits. In the same manner, the Franchise Licensee may reduce the limits once increased, provided that there are no players or play at the gaming table.

The Franchise Licensee shall comply with the cash reserves and/or bonded checking account requirements to satisfy the payment of the gaming debts at the new increased limit.

SUBCHAPTER - CRAPS

Section 3.15 Craps.

The game of craps shall be played in any authorized casino in accordance with the rules provided below.

Section 3.15.1 Personnel.

Unless the Company authorizes otherwise, three (3) employees shall be used for conducting the game at each craps table; two (2) croupiers and one (1) stickman. The croupiers will collect the losing wagers and pay the winning ones. They shall also sell the chips to the players unless the house or the Franchise Licensee decides to use another employee for this purpose. The stickman shall pass the dice with the stick to the players and shall call out the different winning or losing plays according to the results of the play. The stickman shall be the person at the table officially responsible for calling out the plays.

Section 3.15.2 Number of Players.

As many as may gather around the table.

Section 3.15.3 Procedure.

(a) The players shall place their wagers in chips on the gaming layout. The stickman shall pass the dice to the player whose turn it is to roll them, who shall make a bet on the win or pass line or on the lose or do not pass line before rolling the dice. As soon as the shooter receives the dice from the stickman and after placing his wager, he throws the dice simultaneously the across the whole length of the table in accordance with section 3.15.4 of these Regulations. When the dice have come to rest, the

sum of the two will give a combination. If this is a "7" or "11" all the bets against the house (win or pass line) will have won and the bets in favor of the house (lose or don't pass line) will have lost. In that case, it is said that the shooter has thrown a natural. The croupiers will proceed to collect the losing wagers and pay the winning ones. If on any combination throw a 4-5-6-8-9 or 10 comes up, this means that the shooter has a point. The point is valid for all players and those who bet to win shall win when the shooter has matched that point before a combination of seven (7) comes up. If seven (7) comes up before the point, then those who bet to win lose their wagers. Those who played to lose, shall win when the seven (7) comes up before the point and shall lose when the point is matched.

(b) When in the come out roll a combination of double one (1-1), double six (6-6) or one two (1-2) is thrown, it is said that a "Crap" has been thrown. These combinations represent a loss for wagers to win ("win line") and a win for those who bet to lose, with the exception of bets placed on the lose line which do not win or lose.

(c) If the shooter loses his turn by virtue of not having matched his point, the player to his left will be next in turn to follow him, who shall continue the same procedure as the player before him.

(d) In addition to the wagers mentioned above, wagers may be made as illustrated in the following table:

WAGERS

WAGERS	**PLAYER WINS**	**PLAYER LOSES WITH**	**HOUSE PAYS**
Field	2-3-4-9-10-11-12	Any other combination	even *
Seven	7	Any other combination	4 to 1
Any Crap	2-3-12	Any other combination	7 to 1
Eleven	11	Any other	15 to 1

		combination	
Individual Crap	3-(1-2) (2-1)	Any other combination	15 to 1
Individual Crap	2-(1-1)	Any other combination	30 to 1
Individual Crap	12-(6-6)	Any other combination	30 to 1
Crap/Eleven	2-3-11-12	Any other combination	Crap 3 to 1 Eleven 15 to 1
One Roll Bets	(3-1)(3-2)(4-1)(4-2) (5-1)(4-3)(5-2)(6-1) (5-3)(6-2)(5-4)(6-3)(6-4)	Any other combination	15 to 1
One Roll Bets	(2-2)(3-3)(4-4)(5-5)	Any other combination	30 to 1

* Except when the resulting combination is "2" or "12", in which case, it will pay double.

Section 3.15.4 General Rules.

(a) It is not necessary for the dice to strike the end of the table opposite from the player when he rolls the dice. However, the Franchise Licensee may require the player to have the dice strike the end of the table opposite from the player. A string is placed across the middle of the table dividing it into two equal sections and the dice will have to go over said string for it to be a valid play.

(b) The player shall pick up the dice passed to him by the stickman and shall roll the same immediately. He shall not manipulate, rub, scratch or keep the dice in his hands delaying the game unnecessarily.

(c) The dice shall roll, not slide.

(d) In the event that any of the dice when landing, does so on a chip or chips or any other object within the gaming table (on the layout), the roll shall be considered valid. If the die lands resting against the side of the table or any other object, the roll shall be valid counting the number that would fall if the obstacle is removed. A die inside a dice cup shall not be considered a valid roll. The following situations, among others,

shall also be considered as “No dice”: dice over dice, dice in a diamond form, throwing one dice before the other, etc.

(e) A player may not call "No dice".

(f) The stickman may call "No dice" when in his judgment the roll is illegal, that is, contrary to the above rules. In that case, the stickman shall enlighten the player about the rules.

(g) The shooter has the prerogative of asking that the dice, or one of them, be changed before he rolls a new come out point, but he shall abstain from requesting said change in the course of a roll to match said point.

(h) The stickman shall pass the dice with the stick and avoid touching them with his hands unless this is necessary to inspect the dice or when he is physically unable to do it with the stick because the number of chips bet on the layout does not permit it.

(i) The house shall have the prerogative of depriving a player of his turn to throw the dice if he repeatedly persists in violating the rules of the game.

Section 3.15.5 Wagers, Odds, and Limits Authorized by the Company.

At the request of the Franchise Licensee, the Company shall authorize Craps tables with gaming limits of two dollars ($2.00) minimum to ten thousand dollars ($10,000.00) maximum per play; provided that the minimum individual limit for a center bet may be one dollar ($1.00), including “crap/eleven”.

When establishing the limits for the Craps tables, the Franchise Licensee shall be obligated to maintain a difference of not less than twenty (20) times between the minimum and maximum at said table. For example, a Craps table with a minimum gaming limit of one hundred dollars ($100.00) shall have a maximum gaming limit of at least two thousand dollars ($2,000.00).

The authorized limits shall be shown at a prominent location on each table.

The minimum and maximum limits established by the Franchise Licensee for each table at the beginning of each shift of operations may be changed during the course of the corresponding shift, provided that the Franchise Licensee or its authorized representative informs the Inspector and the public at the gaming table at least fifteen (15) minutes in advance that the minimum and/or maximum limit shall be increased to an amount that shall not exceed the authorized limits. In the same manner, the Franchise Licensee may decrease the limits once increased, provided that there are no players nor play at that gaming table.

The Franchise Licensee shall comply with the cash reserves and/or bonded checking account requirements to satisfy the payment of the gaming debts at the new increased limit.

The Inspector shall verify that the reserves for each operational shift have the minimum amount provided in section 3.12 of these Regulations and the additional amounts required if tables with maximum limits in excess of two hundred dollars ($200.00) are opened to guarantee the payment of the gaming debts by the Franchise Licensee.

PAYOUT ODDS

TYPE OF BASIC WAGER	PAYOUT ODDS	BETS ALLOWED IN PERCENTAGES VS. MAXIMUM LIMIT PER TABLE
"Win or Pass Line"	Even	100%
"Lose or Don't Pass Line"	Even	100%
"Come or Don't Come"	Even	100%
"Hardway Six"	9 to 1	25%
"Hardway Eight"	9 to 1	25%
"Hardway Four"	7 to 1	25%
"Hardway Ten"	7 to 1	25%
"Field" (2-3-4-9-10-11-12)	Even*	100%
"Seven" (7)	4 to 1	50%
"Eleven" (11)	15 to 1	20%
"Crap Three" (2-1)(1-2)	15 to 1	20%
"One Roll Bets" (3-1)(3-2)(4-1) (4-2)(5-1)(4-3)(5-2)(6-1)(5-3)(6-2)(5-4)(6-3)(6-4)	15 to 1	20%
"One Roll Bets" (2-2)(3-3)(4-4)(5-5)	30 to 1	10%
"Crap Aces" (1-1)	30 to 1	10%
"Crap Sixes" (6-6)	30 to 1	10%
"Any Craps" (2-1)(1-2)(1-1)(6-6)	7 to 1	40%
"Crap/Eleven" (1-1)(1-2)(6-5)(6-6)	Any Crap- 3 to 1 Eleven- 7 to 1	40%

*Except when the resulting combination is "2" or "12," in which case, it will pay double.

PLACE BETS TO WIN

WAGERS IN FAVOR OF THE NUMBER	PAYOUT ODDS
Four (4) or Ten (10)	9 to 5
Five (5) or Nine (9)	7 to 5
Six (6) or Eight (8)	7 to 6 or even on plays of less than $6.00
The player may place a wager known as "buying" the 4 or the 10 in which case it shall pay five percent (5%) in addition to the wager and the house shall pay two to one each time the number comes up.	

LAY BETS or PLACE BETS TO LOSE

WAGERS AGAINST THE NUMBER	PLAYER QUOTES
Four (4) or Ten (10)	11 to 5
Five (5) or Nine (9)	8 to 5
Six (6) or Eight (8)	5 to 4
The player may place a wager known as "Lay bet" or "buying" (against) the 4 or 10 in which case it shall pay five percent (5%) in addition to the wager and the house shall pay one to two each time the (number) seven (7) comes up.	

*When the player quotes, he is the one who gives the house the odds.

ODDS BEHIND THE WIN LINE OR NEW COME OUT POINT (COME LINE)

TYPE DE WAGERS	PAYOUT ODDS
If the point is: Four (4) or Ten (10) Five (5) or Nine (9) Six (6) or Eight (8)	Two to one (2 to 1) Three to two (3 to 2) Six to five (6 to 5)

ODDS BEHIND THE LOSE LINE OR BET AGAINST NEW COME OUT POINT - "DON'T COME"

TYPE OF WAGERS	PLAYER QUOTES
If the point is: Four (4) or Ten (10) Five (5) or Nine (9) Six (6) or Eight (8)	Two to one (2 to 1) Three to two (3 to 2) Six to five (6 to 5)

When the point is "5" or "9" or "6" or "8" the payment that ensures the correct proportion of payment of odds will be applied ("Full Odds").

A Franchise Licensee may accept, at his discretion, up to a maximum of five (5) time odds, provided these shall be based on

"Full odds". A notice shall be placed on the craps table indicating the number of odds accepted that may be played.

SUBCHAPTER - BLACKJACK

Section 3.16 Number of Players.

The number of players allowed in the game of Black Jack shall not exceed the number of places marked on the layout.

Section 3.16.1 Shuffle and Cut.

The croupier shall shuffle the cards until they form a single stack to be used in the conduct of the game in accordance with what was approved by the Company. Then, he shall hand the joker to any player so that he cuts the stack by placing the joker anywhere in the stack, which shall be held in the hands of the croupier. The croupier shall then move the cards that remain counterfacing the joker to the end of the stack, thereby leaving the joker at the end facing the last card in the stack. He shall then proceed to insert the second joker anywhere in the stack and shall place the stack of cards in the dealing shoe, with their backs to the opening of the shoe, when applicable. He shall remove the first card and place it in the discard rack. After this procedure, the croupier will call the game.

Section 3.16.2 Wagers.

Before any cards are dealt, the players shall be obliged to make their wagers by placing the amount of their wager in chips within the box marked on the layout. The amount of the wager shall never exceed the maximum or be less than the minimum announced by the house for that table.

Section 3.16.3 Dealing of Cards.

(a) When all players have placed their bets, the croupier shall deal one (1) card face up to each player, starting to deal from his left to his right; then he shall deal one (1) card face up to himself. He will then deal another card face up to each of the players, following the same order of distribution. In this

manner, each player shall have two (2) cards face up and the croupier one (1) card face up.

(b) When all the players have placed their bets, the croupier shall deal one (1) card face up to each player, starting the deal of cards from his left to his right; then he will deal one (1) card face up to himself. He will then deal another card face up to each of the players and one (1) card face down to himself, following the same order of distribution. In this manner, each player shall have two (2) cards face up and the croupier one (1) card face up and one face down. The Franchise Licensee may use a card scanner.

Section 3.16.4 Object of the Game.

Counting aces as 1 or as 11, as the player may determine, figures as 10, and the rest of the cards by their numbers, the player shall try to obtain a point count of 21 or as close as possible to 21 without going over.

Section 3.16.5 Natural.

If the first two cards of a player are an ACE and a figure or a 10, he will have a point count of 21, that is, a natural or blackjack. If any player has a blackjack, the croupier shall immediately pay the player the amount of his bet at odds of 3 to 2, unless the croupier draws a card worth ten points or an ACE as his first card, in which case he shall wait until all players have finished their plays and the croupier deals himself his second card. If the croupier and any other player both have a point count of 21 or a blackjack, the result is a tie and the play is neither won nor lost, and the player may, if he so desires, take back the amount of his bet.

Section 3.16.6 Drawing of Cards.

The croupier shall proceed to offer cards to the players, in turn, starting on his left. The player may stand with the two (2) cards he was dealt or he may ask the croupier to deal him additional cards one by one until he determines that he would

like to stand if the point count is 21 or less, provided that a player who has obtained a point count of 21 on two cards, after a split may, at his discretion, count the ACE as one (1) and ask for an additional card. If he goes over 21, he loses his bet, which is immediately collected by the croupier. The croupier then goes on to the next player in turn and deals him in the same fashion. Once the croupier has dealt all the players in this fashion, then he shall deal himself the necessary card(s) in accordance with the rules of the game.

If the croupier should have a total of 17 points or more, he shall be obliged to stand. If the total is 16 points or less, he shall be obliged to draw cards and continue drawing cards one by one until his total is 17 points or more, when he shall have to stand.

If the croupier should have an ACE and counting the same as an 11 his total count is 17 or more (excluding a "natural" or blackjack), he shall be obligated to count it as an 11 and to stand.

Section 3.16.7 Transaction.

If the croupier goes over 21 points, he shall then pay in even amounts all those players who chose to stand on 21 or less. If the croupier's point count is 21 or less, he shall proceed to pay in even amounts those bets of players who have a point count higher than his, he shall collect those bets of players who have a point count lower than his, and he shall tie with those players who have the same point count, in which case they neither win nor lose and said players may withdraw their bets, if they so wish.

Section 3.16.8 Shuffle.

As the bets are settled, the croupier shall collect the cards of each player and shall place them in the discard rack. The croupier shall continue to deal the cards that remain until the joker that had been placed when the stack was cut appears, indicating that he shall proceed to shuffle the cards as soon as

the hands being played at that time are finished. As soon as the hands being played when the joker appears are finished, or when necessary for the protection of the game, the croupier, with the prior approval of the supervisor of the Franchise Licensee and the Inspector, shall shuffle all the cards and the operation set forth in section 3.16.1 of these Regulations shall be repeated.

When a croupier is relieved, the new croupier shall burn or place the first card in the discard rack. He shall then proceed with the new hand.

Section 3.16.9 Splitting Pairs.

If the first two cards dealt to a player are identical, or of equal value, the player may consider them as separate hands. In this case, the total of his original wager shall remain with one of the cards and he shall have to place an additional equal wager on the additional hand(s). When it is his turn to ask for cards, he shall ask for a card for his first hand; that is, the hand to the right of the player; provided that, if he receives a card which is the same or of equal value, the player may again split the pair up to a maximum of four (4) times. After he has completed his first hand, he shall ask for cards for his second hand and so on, successively. When a player splits a pair of ACES in any hand, he shall only receive one additional card for each hand. A total of 21 on the first two cards, after splitting a pair, shall not be considered a natural or blackjack. Each hand shall be considered separately and the croupier shall settle each in accordance with the points obtained in each one of them.

Section 3.16.10 Other Wagers: Down for Double.

The player may double his wager when the point count of his first two cards is 9, 10 or 11 or at the Franchise Licensee's discretion, if the total sum of the cards is from 2 to 11, (except if he obtains a natural or blackjack) by choosing to draw only one additional card face down. The player shall not look at his face down card, but may ask the croupier to show it to him.

An insurance wager may be made at the discretion of the player when the first card of the croupier is an ACE. At that time, the player may place an insurance wager, which pays 2 to 1. This wager shall be placed in the corresponding place on the table layout and shall be made before the first player to the left of the croupier receives his third card. In this wager, the player bets that the second card that the croupier draws will be a figure card or a 10. If it is, the insurance wager will win at odds of 2 to 1. If it is not a figure or a 10, these bets shall lose, but the original hand of the player shall remain until a decision is reached in the usual manner. The bet or wager may be made for up to a maximum of half of the original wager. An insurance bet may only be made on the original hands.

The Franchise Licensee will have the discretion as to the number of boxes a player shall be permitted to bet on, provided there may be reserved tables for players and/or apply the rule of "no mid shoe entry", as long as there is another table of the same game open to the public, having the same limits as the reserved one.

The Franchise Licensee, at his discretion, may establish the play known as "surrender" provided that:

In his first two cards, the player shall have the option to retire without finishing his hand as long as the croupier is not showing an Ace, thus handling in half of his bet. Said play shall be performed before the first player to the left of the croupier receives his third card. In the same way, the availability of this rule must be announced at the gaming table.

Section 3.16.11 Errors.

Since all the cards that are dealt will be face up (except the third card on a "down for double" card), there is no penalty against the house for any irregularities in the distribution of the cards. Any irregularity shall be immediately corrected by

the croupier, in the presence of his supervisor, or the Inspector.

(a) If there is a discrepancy as to whether a player has asked for a card or not and the croupier has shown it, said card, if not accepted by the player in question, shall be discarded from the game ("burned"), in the presence of his supervisor or the Inspector, losing the player his right to additional cards. The game shall continue with respect to the others normally.

(b) If the croupier should have a point count of seventeen (17) and mistakenly deals himself a card, said card shall be discarded from the game ("burned").

(c) If the croupier mistakenly does not deal himself a card, he shall continue dealing cards to the players and will deal himself his card after each player has received his second card.

(d) If no cards were dealt to the hand of a player, said hand shall be considered "dead" and may be included in the next card deal. If only one card is dealt to the hand of a player, at the option of the player, he may receive a second card after the remaining players have received theirs.

(e) Under no circumstances shall the cards be taken back.

If any discrepancy exists with respect to the interpretation and enforcement of the rules of the game, the Inspector shall be called, who as arbitrator shall have the last word.

Section 3.16.12 Limits.

At the request of the Franchise Licensee, the Company shall authorize Blackjack tables with gaming limits of two dollars ($2.00) minimum to ten thousand dollars ($10,000.00) maximum per play.

When establishing limits for Blackjack tables, the Franchise Licensee shall be obligated to maintain a difference of not less than twenty (20) times between the minimum and the maximum at

said table. For example, a Blackjack table with a minimum gaming limit of one hundred dollars ($100.00) shall have a maximum gaming limit of at least two thousand dollars ($2,000.00).

The authorized limits shall be shown at a prominent location on each table.

The minimum and maximum limits established by the Franchise Licensee for each table at the beginning of each shift of operation may be changed during the course of the corresponding shift, provided that the Franchise Licensee or its authorized representative informs the Inspector and the public at the gaming table at least fifteen (15) minutes in advance that the minimum and/or maximum limit shall be increased to an amount that shall not exceed the authorized limits. In the same manner, the Franchise Licensee may decrease the limits once increased, provided that there are no players nor play at that gaming table.

The Franchise Licensee shall comply with the cash reserves and/or bonded checking account requirements to satisfy the payment of gaming debts at the new increased limit.

The Inspector shall verify that the reserves for each operational shift have the minimum amount provided in section 3.12 of these Regulations and the additional amounts required if tables with limits of two hundred dollars ($200.00) or greater are opened, to guarantee the payment of the gaming debts by the Franchise Licensee.

Section 3.16.13 Progressive Blackjack

Progressive Blackjack shall be played according to the rules and procedures establish in the Blackjack game, provided that:

(a) The initial and reset amount fixed on the progressive meter shall be at least five thousand dollars ($5,000.00);

(b) A player may, at his discretion, place a progressive payout wager by depositing a one dollar ($1.00) chip in the acceptor device designed for each player. The player shall be

responsible for verifying that his respective acceptor light is properly lit.

SUBCHAPTER - RESERVED

Section 3.17 Reserved.

SUBCHAPTER - BACCARAT

Section 3.18 Number of Players.

For the game of Baccarat, the number of players shall not be permitted to exceed the amount of numbered sections on the layout. No person shall be permitted to place a bet while standing up, or to bet more than one section.

Section 3.18.1 Shuffle.

The cards shall be shuffled in not less than two (2) nor more than eight (8) decks of American type cards (fifty-two (52) cards per deck) with the idea of making only one stack.

The croupier in the middle of the table shall be in charge of doing this shuffling, and may be assisted by the other two croupiers present. After the cards have been shuffled, the croupier shall offer a blank card or joker to any of the players so that he may introduce the same in the stack of cards, thereby cutting them. If the players present do not want to "cut", the croupier in charge of the shuffle shall offer the blank card or joker to another croupier at the table, who shall cut the cards. Then, the croupier in charge of the shuffle shall proceed to place in front of the stack the cards that were cut, in such a way that the blank card or joker is the last card of the stack formed by all the cards in play; proceeding immediately to place the other blank card or joker in the stack, cutting it in such a way that it divides not less than twenty-five (25) nor more than sixty (60) cards approximately, from the stack made up of all the cards in play. The appearance of this second blank card or joker in the game will be an indication that the stack is about to

finish. Then, the hand in play and an additional hand shall be played, but another one shall not be started until all the cards have been shuffled again. After the cards have been shuffled, cut and placed in the dealing shoe, the croupier shall remove the first card, the number of which shall determine the number of cards that shall be "burned", that is, removed from the dealing shoe and discarded from the game. Nevertheless, no more than seven (7) cards nor less than three (3) cards shall be discarded ever, excluding the card that was used for the determination.

Section 3.18.2 Procedures.

Once the cards have been shuffled, placed in the dealing shoe and the indicated cards have been burned, the assistants shall place their wagers (in chips) on the place they choose, that is, betting that the player wins (on "player"), betting that the bank wins (on "bank") or betting that a tie will take place (on "Any Tie") under the table minimum provided that the minimum established for the table for a "player" or "banker" bet is complied with.

Then, the croupier in charge of the shuffle shall pass the dealing shoe to the player seated to his right in the number one (1) position regardless of the place where he has placed his bet (on "player" or "banker"), indicating to him to proceed to deal the cards. This player, who is given the honorary title of "banker", shall proceed to remove one card face down for the "player", then one (1) card face down for himself ("bank"), until there are two (2) cards face down in the center of the table for the "player" and two (2) cards also face down in front of the banker ("bank") and placed under the front part of the dealing shoe. (The first and third cards dealt correspond to the "player" and the second and fourth cards dealt to the banker ("bank"). Then the croupier shall pass the two "player" cards to the player who has made the bet against the bank. The player shall proceed to turn over the cards and pass them to the center

of the table. The croupier shall call aloud the point count received by the player placing the cards in the center of the table, in the place indicated on the layout for this purpose. The croupier shall then proceed to ask the banker to turn over his cards. The banker shall turn over his cards passing them to the center of the table. The croupier shall call out the point count received by the banker proceeding to place the cards on the spot designated for that purpose on the layout. The croupier shall then proceed to announce the winner if there is a final result or he shall proceed to ask for cards following the rules which govern calling for cards.

Section 3.18.3 Object of the Game.

The object of this game is to form with two (2) or three (3) cards a combination that adds up to nine (9) or as close to that number as possible. When the sum of the numerical value of the cards has two digits, the point count received shall be equal to the digit on the right only. Figure cards and tens (10) are worth zero, ACES are worth one (1) and the other cards are worth their number. In other words, the figure of King and a five (5) are worth five (5) and beat or win over a ten (10) and a four (4), which are worth four (4).

If any player has a point count of eight (8) or nine (9) in his first two (2) cards, he shall have what is called a "natural" and shall show his cards immediately. If only the banker has a natural, the bets made in favor of the "player" shall lose. If only "player" has a natural, the house shall pay winning bets at even odds and collect the losers. (In this case, the losers are those who did not bet that the "player" would win.)

A natural nine (9) shall beat a natural eight (8), two naturals of equal value will result in a tie and none of the bets made to "player" or to "bank" win or lose, but bets made to a tie ("Any Tie") shall be paid at odds of nine (9) to one (1).

Once the bets have been settled, the cards shall be placed in the discard pile and a new hand shall then be dealt following the indicated procedures.

If any of the two parties in the game, bank or player, has a natural, the player speaks first and following the rules for calling for cards, shall ask for a card or stand. If the player asks for a card, the same shall be dealt face up, and the croupier shall immediately announce the total obtained by the player. Then the bank decides whether to ask for a card or stand following the rules that govern the asking of cards for the bank. If the banker asks for a card, the same shall be dealt face up. An additional card (to the two (2) original ones) shall only be dealt to the banker or the player. When both players stand, the croupier shall announce the winner with the point count that is closest to nine (9) being that the winner. The croupiers shall collect the losing bets and pay the winners. When bets to the bank are the winners, the house shall collect a commission which shall be five percent (5%) of the amount won, which it may proceed to immediately collect by paying ninety-five cents ($0.95) for each dollar wagered to the "bank" win, or proceeding to mark in the corresponding space the amount owed.

If the hand results in a tie, those who bet that the bank would win, shall not lose. Those who bet that the player would win, shall not lose nor win.

However, those who bet on a tie ("Any Tie") shall win at odds of nine (9) to one (1).

Section 3.18.4 Percentage of Discount For the House.

The Franchise Licensee who operates a casino where the game of Baccarat is conducted shall collect a commission of five percent (5%) on any winning bet placed on the "bank" space. The Franchise Licensee may immediately collect the authorized commission on each winning bet on the "bank" space paying ninety-five cents ($0.95) for each dollar wagered or it may proceed to

mark the commission owed in the place corresponding to each player that is provided for that purpose on the layout.

Section 3.18.5 Limits.

At the request of the Franchise Licensee, the Company shall authorize Baccarat tables with gaming limits of ten dollars ($10.00) minimum to twenty-five thousand dollars ($25,000.00) maximum per play. When establishing limits for Baccarat tables, the Franchise Licensee shall be obligated to maintain a difference of not less than forty (40) times between the minimum and the maximum at said table. For example, a Baccarat table with a minimum gaming limit of ten dollars ($10.00) shall have a maximum gaming limit of at least four hundred dollars ($400.00).

On wagers placed on a "tie" bet, minimum limits of five dollars ($5.00) shall be permitted at all tables provided that the player has bet at least the minimum established at the table for a player or banker bet. The maximum limit for the wager shall be determined by the maximum authorized at the table in operation, so that the payment of said wager does not exceed the corresponding maximum.

The minimum and maximum limits established by the Franchise Licensee for each table at the beginning of each shift of operation may be changed during the course of the corresponding shift, provided that the Franchise Licensee or its authorized representative informs the Inspector and the public at the gaming table at least fifteen (15) minutes in advance that the minimum and/or maximum limit shall be increased to an amount that shall not exceed the authorized limits. In the same manner, the Franchise Licensee may decrease the limits once increased, provided that there are no players nor play at that gaming table.

The Franchise Licensee shall comply with the cash reserves and/or bonded checking account requirements to satisfy the payment of gaming debts at the new increased limit.

Section 3.18.6 Reserves.

The Franchise Licensee of a casino in which the game of Baccarat is conducted shall have on hand and in cash an amount of money that shall not be less than seventy-five thousand dollars ($75,000.00) to guarantee the payment of bets before opening the game to the public. This reserve shall be additional to that presently required from the casinos.

Section 3.18.7 Rules for Calling for Cards.

(a) Rules for "player"

PLAYER HAS:	**RULE**
Eight (8) or Nine (9)	Has a natural. The bank may not ask for a card. The player wins unless the bank ties. The bank with nine (9) beats a player with eight (8).
Six (6) or Seven (7)	The player stands. He may not ask for a card.
Zero (0), One (1), Two (2), Three (3), Four (4) and Five (5)	The player must ask for another card.

Whenever the "player" wins a hand, the dealing shoe shall be passed to the next player on the right.

(b) Rules for the "bank"

BANK HAS	**RULE**
Eight (8) or Nine (9)	Has a natural. The player cannot ask for a card. The bank wins unless there is a tie. A player with nine (9) wins over a bank with eight (8).
Seven (7)	The bank stands. May not ask for a card.
Six (6)	When "player" has been dealt a third card and this third card has been a six (6) or a seven (7), the bank shall be obligated to receive a third card. If the third card to the players is a one (1), two (2), three (3), four (4), five (5), eight (8) or nine (9), the bank shall have to stand without receiving the third card. Tens and figure cards are worth zero (0).

Five (5)	When player has been dealt a third card and this card has been a four (4), five (5), six (6) or seven (7), the bank shall be obligated to receive a third card. If the third card of a player has been a one (1), two (2), three (3), eight (8), nine (9) or ten (10), the bank shall have to stand without receiving the third card.
Four (4)	When the player has been dealt a third card and this card has been a two (2), three (3), four (4), five (5), six (6) or seven (7), the bank shall be obligated to receive the third card. If the third card of the player has been a one (1), eight (8), nine (9) or ten (10), the bank shall have to stand without receiving the third card.
Three (3)	When the player has been dealt a third card and this card has been a one (1), two (2), three (3), four (4), five (5), six (6), seven (7), nine (9) or ten (10), the bank shall be obligated to receive a third card. Only when the third card dealt to the player is an eight (8) shall the bank be obligated to stand without receiving a third card.
Zero (0), One (1), Two (2)	The bank shall be obligated to receive a third card.

The player shall be obligated to stand when he draws a six (6) or a seven (7) on his first cards. When this happens, the bank shall be obligated to receive a third card if it has zero (0), one (1), two (2), three (3), four (4) or five (5) and shall be obligated to stand if it has six (6).

SUBCHAPTER - MINI-BACCARAT

Section 3.19 Number of Players.

For the game of Mini-Baccarat, the number of players shall not be permitted to exceed the amount of sections marked on the layout shall not be permitted nor shall it be permitted for a player to bet in more than one box.

Section 3.19.1 Shuffle.

The same shuffling procedures established in section 3.16.1 of these Regulations that regulate the game of Blackjack shall be observed. The conduct of the game shall be carried out by only one croupier.

Section 3.19.2 Procedures and Object of the Game, Percentage of Discount.

The procedure and object of the game are identical to those established in sections 3.18.2 and 3.18.3 that regulate the game of Baccarat. Likewise, the percent of discount for the house is in accordance with the provisions of section 3.18.4 of these Regulations.

Section 3.19.3 Limits.

At the request of the Franchise Licensee, the Company shall authorize Mini-Baccarat tables with gaming limits of two dollars ($2.00) minimum to five thousand dollars ($5,000.00) maximum per play. When establishing the limits for Mini-Baccarat tables, the Franchise Licensee shall be obligated to maintain a difference of not less than forty (40) times between the minimum and the maximum at said table. For example, a Mini-Baccarat table with a minimum gaming limit of five dollars ($5.00) shall have a maximum gaming limit of at least two hundred dollars ($200.00).

On wagers placed for a "tie" bet, minimum limits of one dollars ($1.00) shall be permitted at all tables provided that the player has bet at least the minimum established at the table for a player or banker play. The maximum limit for the wager shall be determined by the maximum authorized at the table in operation, so that the payment of said wager does not exceed the corresponding maximum.

The minimum and maximum limits established by the Franchise Licensee for each table at the beginning of each shift of operation may be changed during the course of the corresponding shift, provided that the Franchise Licensee or its authorized

representative informs the Inspector and the public at the gaming table at least fifteen (15) minutes in advance that the minimum and/or maximum limit shall be increased to an amount that shall not exceed the authorized limits. In the same manner, the Franchise Licensee may decrease the limits once increased, provided that there are no players nor play at that gaming table.

The Franchise Licensee shall comply with the cash reserves and/or bonded checking account requirements to satisfy the payment of the gaming debts at the new increased limit.

Section 3.19.4 Reserves.

In addition to the minimum reserves established in section 3.12 of these Regulations:

(1) Tables with a maximum of five hundred dollars ($500.00) shall require an additional reserve of ten thousand dollars ($10,000.00) per table.

(2) Tables with a maximum of one thousand dollars ($1,000.00) shall require an additional reserve of fifteen thousand dollars ($15,000.00) per table.

(3) Tables with a maximum of two thousand dollars ($2,000.00) shall require an additional reserve of twenty thousand dollars ($20,000.00) per table.

(4) Tables with a maximum of two thousand dollars ($2,000.00) shall require an additional reserve of five thousand dollars ($5,000.00) for every one thousand dollars ($1,000.00) and/or fraction of increase.

Section 3.19.5 Rules of the Game.

The same rules indicated in section 3.18.7 of these Regulations for the game of Baccarat shall be observed, but the croupier shall always retain the dealing shoe and shall deal the cards of the player and of the bank, except in the case of Mini-Baccarat tables with nine (9) positions where the croupier may or may not retain the dealing shoe and deal the cards, at the

discretion of Franchise Licensee, in accordance with what the Company has authorized.

SUBCHAPTER - CARIBBEAN STUD POKER

Section 3.20 Definitions.

The following words and terms, when used in the sections related to Caribbean Stud Poker, shall have the following meanings unless it is otherwise clearly indicated:

"Ante Wager" means the initial wager placed before the cards are dealt in order to participate in the round of play.

"Bet Wager" means an additional wager placed by a player, in an amount double the player's "Ante" wager, after all cards for the round of play have been dealt but before the croupier's hole cards are exposed.

"Fold" means the withdrawal of a player from a round of play discarding his hand of cards after all cards have been dealt and prior to placing a "Bet" wager.

"Hand" means the five card hand dealt to each player and the croupier.

"Hole card" means any of the four cards that are dealt face down to the croupier.

"Progressive Payout Hand" means a flush, full house, four-of-a-kind, straight flush or royal flush, as defined in sections 3.20.3 and 3.20.9.

"Push" means a tie, as defined in section 3.20.8 of these Regulations.

"Qualifying Hand" means the croupier's hand as defined in section 3.20.8 of these Regulations, with a rank of ace, king, four, three and two or better.

"Rank" or "ranking" means the relative position of a card or group of cards as defined in section 3.20.3 of these Regulations.

"Round of play" or "round" means one complete cycle of play during which all players then playing at the table have been

dealt a hand, have folded or wagered upon it, and have had their wagers paid off or collected in accordance with the rules provided herein.

"Stub" means the portion of the deck of cards remaining after all cards in a round of play have been dealt.

"Suit" means one of the four categories of cards: club, diamond, heart or spade, with no suit being higher in rank than another.

Section 3.20.1 Opening of a Table for Gaming.

(a) After receiving at the table a deck of cards previously inspected by an Inspector, the croupier shall sort and inspect the cards, and the supervisor of the Franchise Licensee assigned to the table shall verify said inspection.

(b) Following the inspection of the cards by the croupier and the verification by the supervisor of the Franchise Licensee assigned to the table, the cards shall be spread out face up on the table for visual inspection by the first player to arrive at the table. The cards shall be spread out according to suit and in sequence.

(c) After the first player has been given an opportunity to visually inspect the cards, these shall be turned face down on the table, mixed thoroughly by a "washing" or "chemmy shuffle" of cards and stacked. Once the cards have been stacked, they shall be shuffled in accordance with section 3.20.2 of these Regulations.

(d) If a Franchise Licensee uses an automated card shuffling device and two decks of cards are received at the table in accordance with section 4.9 of these Regulations, each deck of cards shall be separately sorted, inspected, verified, spread, mixed, stacked and shuffled in accordance with the provisions of paragraphs (a) and (c) of this section.

(e) All cards opened for use at a Caribbean Stud Poker table shall be changed at least once every eight hours. The

procedures for compliance with this section shall be submitted to the Company for approval.

Section 3.20.2 Shuffle and Cut of the Cards.

(a) Immediately prior to the commencement of play and after each round of play has been completed, the croupier shall shuffle the cards, either manually or by use of an automated card shuffling device, so that the cards are randomly intermixed. Upon completion of the shuffle, the croupier or the device shall place the deck of cards in a single stack; provided, however, that nothing in this section shall be deemed to prohibit the use of an automated card shuffling device which, upon completion of the shuffling of the cards, transfers the stack of cards directly to a dealing shoe.

(b) After the cards have been shuffled and stacked, the croupier shall:

(1) If the cards were shuffled using an automated card shuffling device, deal or deliver the cards in accordance with the procedures provided in section 3.20.5, 3.20.6 or 3.20.7 of these Regulations; or

(2) If the cards were shuffled manually, cut the cards in accordance with the procedures provided in paragraph (c) of this section.

(c) If a cut of cards is required, the croupier shall, using one hand, cut the deck by taking a stack of at least ten (10) cards from the top of the deck and placing them on top of the cover card. The croupier shall place the cards remaining in the deck on top of the stack of cards that were cut. Thereafter, the croupier shall remove the cover card and place it in the discard rack. The croupier shall proceed to deal the cards in accordance with the procedures provided in section 3.20.5, 3.20.6 or 3.20.7 of these Regulations. The cover card shall always be placed in front of the deck of cards prior to the cut of the cards by the croupier.

(d) Whenever there is no gaming activity at a Caribbean Stud Poker table that is open for play, the cards shall be spread out on the table either face up or face down. If the cards are face down, they shall be turned face up once a player arrives at the table. After the first player has had an opportunity to visually inspect the cards, the procedures provided in paragraph (c) of section 3.20.1 of these Regulations shall be completed.

Section 3.20.3 Rankings.

(a) The rank of the cards used in Caribbean Stud Poker, for the determination of winning hands, in order of highest to lowest rank, shall be: ace, king, queen, jack, ten, nine, eight, seven, six, five, four, three and two. Notwithstanding the foregoing, an ace may be used to complete a Straight Flush or Straight formed with a two, three, four and five.

(b) The permissible poker hands at the game of Caribbean Stud Poker, in order of highest to lowest rank, shall be:

(1) "Royal Flush" is a hand consisting of an ace, king, queen, jack and ten of the same suit;

(2) "Straight Flush" is a hand consisting of five cards of the same suit in consecutive ranking, with king, queen, jack, ten and nine being the highest ranking Straight Flush and ace, two, three, four and five being the lowest ranking Straight Flush;

(3) "Four-of-a-kind" is a hand consisting of four cards of the same rank, with four aces being the highest ranking one and four twos the lowest ranking one;

(4) "Full House" is a hand consisting of "three-of-a-kind" and a "one pair", with three aces and two kings being the highest ranking Full House and three twos and two threes the lowest ranking one;

(5) "Flush" is a hand consisting of five cards of the same suit;

(6) "Straight" is a hand consisting of five cards of consecutive rank, with an ace, king, queen, jack and ten being the highest ranking straight and an ace, two, three, four and five being the lowest ranking straight; provided, however, that an ace shall not be combined with any other sequence of cards for purposes of determining a winning hand (for example, queen, king, ace, two, three);

(7) "Three-of-a-Kind" is a hand consisting of three cards of the same rank, with three aces being the highest ranking and three twos the lowest ranking;

(8) "Two Pairs" is a hand consisting of two pairs, with two aces and two kings being the highest ranking one and two threes and two twos the lowest ranking one; and

(9) "One Pair" is a hand consisting of two cards of the same rank, with two aces being the highest ranking pair and two twos the lowest ranking one.

(c) When comparing two poker hands of identical rank pursuant to the provisions of this section, or which contain none of the hands authorized in this section, the hand which contains the highest ranking cards provided in paragraph (a) of this section which is not contained in the other hand shall be considered the higher ranking hand. If the hands are of identical rank after application of this provision, the hands shall be considered a push.

Section 3.20.4 Wagers.

(a) All wagers at Caribbean Stud Poker shall be made by placing chips on the appropriate betting areas of the table layout. No verbal or cash wagers shall be accepted.

(b) All "Ante" wagers shall be placed prior to the croupier announcing "No more bets" in accordance with the procedures provided in section 3.20.5, 3.20.6 or 3.20.7 of these Regulations. Except as provided in section 3.20.5 of these

Regulations, no wager shall be made, increased or withdrawn after the croupier has announced "No more bets."

(c) Upon placing an "Ante" wager, a player may, at his discretion, place a progressive payout wager by depositing a one dollar ($1.00) chip into the acceptor device designated for that player. Each player shall be responsible for verifying that his respective acceptor light has been properly lit.

(d) A "Bet" wager shall be made in accordance with the provisions of section 3.20.8 of these Regulations.

(e) A player shall not be permitted to play more than one hand per round of play.

(f) Only players who are seated at the Caribbean Stud Poker table may place a wager at the game. Once a player has placed a wager and received cards, that player shall remain seated until the completion of the round of play.

Section 3.20.5 Procedure for Dealing the Cards from a Manual Dealing Shoe.

(a) If a Franchise Licensee chooses to have the cards dealt from a manual dealing shoe, the dealing shoe shall have the prior approval of the Company and shall be located on the table in a location approved by the Company. Once the procedures required by section 3.20.2 of these Regulations have been completed, the deck of cards shall be placed in the dealing shoe either by the croupier or by an automatic shuffling device.

(b) Prior to dealing the cards and after all "Ante" wagers and progressive payout wagers have been placed, the croupier shall then announce "No more bets" and press the "lock-out" button on the table controller panel. Once the "lock-out" button has been pressed, if any wager has been placed on the progressive wager, the croupier shall remove these wagers from the table inventory return device, and from the layout in front of the table inventory container, verify that the number of gaming chips

wagered equals the number of lights lit on the acceptor devices, and place the gaming chips into the table inventory container.

(c) Each card shall be removed from the dealing shoe with the hand of the croupier that is closest to the dealing shoe and placed on the appropriate area of the layout with the opposite hand.

(d) The croupier shall deal the first card, face down, to the player farthest to the left of the croupier and then, moving from left to right around the table, deal a card face down to any other players. The croupier shall then deal one card face down to an area directly in front of the table inventory container designated for the hand of the croupier. This procedure shall be repeated until all players have received five cards face down; provided, however, that the fifth card of the croupier shall be dealt face up . The cards shall be dealt to each player directly on top of the preceding card of that player.

(e) After five cards have been dealt to each player and the area designated for the hand of the croupier, the croupier shall remove the stub from the manual dealing shoe and, except as provided in paragraph (f) of this section, place the stub in the discard rack without exposing the cards.

(f) The croupier shall count the stub at least once every five rounds of play to determine that the correct number of cards is still present in the deck. The croupier shall determine the number of cards in the stub by counting the cards face down on the layout.

(1) If the count of the stub indicates that there are fifty-two (52) cards in the deck, the croupier shall place the stub in the discard rack without exposing the cards.

(2) If the count of the stub indicates that the number of cards in the deck is incorrect, the croupier shall determine if the cards were misdealt. If the cards have been misdealt (a player or the area designated for the placement of the hand of

the croupier has more or less than five cards) but fifty-two (52) cards remain in the deck, all hands shall be void pursuant to section 3.20.12 of these Regulations. If the cards have not been misdealt, all hands shall be considered void and the entire deck of cards shall be removed from the table.

Section 3.20.6 Procedures for Dealing the Cards from the Hand.

(a) Notwithstanding any other provisions, a Franchise Licensee may, at its discretion, permit a croupier to deal the cards used to play Caribbean Stud Poker from his hands.

(b) If the Franchise Licensee chooses to have the cards dealt from the hands of the croupier, the following procedures shall be observed:

(1) Franchise licensee shall use an automated shuffling device to shuffle the cards.

(2) Once the procedures required by section 3.20.2 of these Regulations have been completed, the croupier shall place the stacked deck of cards in either hand;

(i) Once the croupier has chosen the hand in which he will hold the cards, the croupier shall use that hand whenever holding the cards during that round of play.

(ii) The cards held by the croupier shall be kept in front of the croupier at all times and over the table inventory container.

(3) The croupier shall then announce "No more bets" and press the lock-out button in accordance with the provisions of section 3.20.5 of these Regulations before dealing any cards. The croupier shall deal each card by holding the deck of cards in the chosen hand and using the other hand to remove the top card of the deck and place it face down on the appropriate area of the layout.

(c) The croupier shall deal the first card, face down, to the player farthest to his left and then, moving from left to

right around the table, deal a card face down to all players remaining. The croupier shall then deal one card face down to an area directly in front of the table inventory container designated for the hand of the croupier. This procedure shall be repeated until all players have received five cards face down; provided, however, that the fifth card of the croupier shall be dealt face up . The cards shall be dealt to each player directly on top of that the preceding card of the player.

(d) After five cards have been dealt to each player and the area designated for the placement of the hand of the croupier, the croupier shall, except as provided in paragraph (e) of this section, place the stub in the discard rack without exposing the cards.

(e) The croupier shall count the stub at least once every five rounds of play to determine that the correct number of cards is still present in the deck. The croupier shall count the stub in accordance with the provisions of section 3.20.5 of these Regulations.

Section 3.20.7 Procedures for Dealing the Cards from an Automated Dealing Shoe.

(a) Notwithstanding any other provisions, a Franchise Licensee may, at its discretion, choose to have the cards used in Caribbean Stud Poker dealt from an automated dealing shoe which dispenses the cards in stacks of five cards, provided that the shoe, its location and the procedures for its use are previously approved by the Company.

(b) If the Franchise Licensee chooses to have the cards dealt from an automated dealing shoe, the following requirements shall be observed:

(1) Once the procedures required by section 3.20.2 of these Regulations have been completed, the croupier shall place the cards in the automated dealing shoe.

(2) The croupier shall then announce "No more bets" and press the lock-out button in accordance with the provisions of section 3.20.5 of these Regulations.

(c) The croupier shall deliver the first stack of cards dispensed by the automated dealing shoe face down to the player farthest to his left who has place a wager in accordance with section 3.20.4 of these Regulations. As the remaining stacks are dispensed to the croupier by the automated dealing shoe, the croupier shall, moving from left to right around the table, deliver a stack face down to each of the other players who has placed a wager in accordance with the provisions of section 3.20.4 of these Regulations. The croupier shall then deal a group of five cards face down to the area designated for the hand of the croupier.

(d) After each group of five cards has been dispensed and delivered in accordance with this section, the croupier shall remove the stub from the automated dealing shoe and, except as provided in paragraph (e) of this section, place the cards in the discard rack without exposing the cards.

(e) The croupier shall count the stub at least once every five rounds of play to determine that the correct number of cards is still present in the deck. The croupier shall count the stub in accordance with the provisions of section 3.20.5 of these Regulations.

(f) Notwithstanding the provisions of paragraph (e) of this section, the counting of the stub shall not be required if an automated card shuffling device is used that counts the number of cards in the deck after the completion of each shuffle and indicates whether fifty-two (52) cards are still present. If the automated shuffling device indicates that an incorrect number of cards is present, the deck shall be removed from the table after manual verification.

(g) The croupier shall then show the first card of his hand, and the round of play shall continue in accordance with the provisions of section 3.20.8 of these Regulations.

Section 3.20.8 Bet Wagers; Procedures for Completion of Each Round of Play; Collection and Payment of Wagers.

(a) After the dealing procedures required by section 3.20.5, 3.20.6 or 3.20.7 of these Regulations have been completed, but before the croupier exposes his hole cards, each player may, after examining his or her cards, place a Bet wager in the designated betting area or fold and forfeit the Ante wager. If a player folds, the entire Ante wager shall be collected by the croupier and placed in the table inventory container. The folded hand shall then be immediately collected by the croupier and placed in the discard rack.

(b) Each player who makes a wager shall be responsible for his hand and no other person other than the croupier may touch the cards of that player. Each player shall keep his five cards in full view of the croupier at all times. Once each player has examined his cards and has placed them face down on the appropriate area of the layout, the player shall not touch the cards again.

(c) No player shall exchange or communicate information regarding his hand before the croupier reveals his hole cards. Any violation shall result in a forfeiture of all wagers made on that round by the players who have communicated among themselves.

(d) After all of the players have placed a Bet wager or folded, the croupier shall turn over his hole cards and arrange the highest ranking poker hand.

(e) Except as provided in paragraph (g) of this section, after the croupier shows his hole cards, the croupier shall, starting with the player farthest to his right, proceed to turn over the cards of the players and if the croupier has a qualifying hand:

(1) All wagers shall be settled one by one from right to left. The chips for losing hands shall be collected immediately by the croupier and placed in the table inventory container. All losing cards shall then be immediately collected by the croupier and place in the discard rack. Ante and Bet wagers made by a player shall lose if the qualifying hand of the croupier has a hand rank that is higher than the hand of that player.

(2) If the hand of the player ties with the qualifying hand of the croupier, the hand of the player shall be a push.

(3) After all losing wagers and pushes have been settled and all winning wagers have been paid, all winning hands with a flush or higher shall remain face up on the layout until the supervisor of the Franchise Licensee authorizes the payment and makes the corresponding reduction to the progressive meter. Any winning wager shall be paid in accordance with the payout odds indicated in section 3.20.10 of these Regulations. The croupier shall pay all the winning wagers beginning with the player farthest to the right and continuing from right to left around the table. Any wager made by a player shall win if the hand of the player has a hand rank higher than that of the qualifying hand of the croupier. After paying all winning Ante and Bet wagers, the croupier shall immediately collect the cards of all winning players and place them in the discard rack, together with the remaining cards in the deck used for that round of play; provided, however, that if a player has won a progressive payout which is not being paid from the table inventory container, the cards of that player shall remain on the table until the necessary documentation has been completed in accordance with the provisions of section 3.20.11 of these Regulations.

(f) Except as provided in paragraph (g) of this section, after the hole cards of the croupier are revealed, if the croupier does not have a qualifying hand:

(1) It shall be the option of the casino whether or not the croupier shall turn over the cards of the players. If the casino decides not to turn over the cards of the players, the croupier shall turn over the cards of any player who has made a progressive payout wager in accordance with the provisions of section 3.20.9 of these Regulations;

(2) The croupier shall immediately announce "No hand" and shall pay all Ante wagers at payout odds of 1 to 1. The croupier shall pay all Ante wagers beginning with the player farthest to the right of the croupier and continuing from right to left around the table;

(3) All Bet wagers shall be considered void and the croupier shall not collect nor pay said wagers; and

(4) All Ante wagers shall be paid one by one from right to left. The croupier shall immediately collect all of the cards of all players and shall place them in the discard rack, together with the remaining cards in the deck used for the round of play; provided, however, that if a player has won a progressive payout which is not being paid from the table inventory container, the cards of that player shall remain on the table until the necessary documentation has been completed pursuant to the provisions of section 3.20.11 of these Regulations.

(g) All the cards collected by the croupier shall be picked up in order and placed in the discard rack in such a way that they may be readily arranged to reconstruct each hand in the event that a question or dispute arises.

Section 3.20.9 Progressive Payout.

(a) A progressive payout wager shall be paid pursuant to the payout table provided in section 3.20.10 of these

Regulations, the procedures approved pursuant to the provisions of section 3.20.11 of these Regulations and before the cards are collected by the croupier.

(b) Prior to paying a progressive payout hand, the croupier shall:

(1) Verify that the hand is a winning hand;

(2) Verify that the appropriate light on the acceptor device has been lit; and

(3) Have a supervisor of the Franchise Licensee, together with an Inspector, validate the progressive payout pursuant to the procedures provided in section 3.20.11 of these Regulations.

(c) Any winning progressive payout wager shall be paid irrespective of the rank of the hand of the croupier or even if the croupier has a higher ranking hand or does not have a qualifying hand.

(d) The progressive payout shall be made from the money reserve kept by the Franchise Licensee for this purpose. The reserve corresponding to the accumulation by means of the wagers placed on the progressive prize in addition to the casino reserves shall be available for the payment displayed on the progressive meter.

Section 3.20.10 Payout Odds.

(a) The payout odds for winning wagers at Caribbean Stud Poker printed on any layout or in any brochure or other publication distributed by the Franchise Licensee shall be stated through the use of the word "to" or "win" and no odds shall be stated through the use of the word "for".

(b) A Franchise Licensee shall pay winning Ante wagers at payout odds of 1 to 1.

(c) Subject to the payout limitation in provided in paragraph (d) of this section, a Franchise Licensee shall pay off

each winning wager at the game of Caribbean Stud Poker at the odds listed below:

Wager	Payout Odds
Royal Flush	100 to 1
Straight Flush	50 to 1
Four-of-a-Kind	20 to 1
Full House	7 to 1
Flush	5 to 1
Straight	4 to 1
Three-of-a-Kind	3 to 1
Two Pairs	2 to 1
One Pair or Less	1 to 1

(d) Notwithstanding the payout odds established in paragraph (c) of this section, the payout limit on each Bet wager for any hand shall be five thousand dollars ($5,000.00), which does not include the progressive payout, but a Franchise Licensee may request from the Company, and the Company may discretionally approve, a payout limit on each Bet wager for any hand up to ten thousand dollars ($10,000.00), which does not include the progressive payout.

(e) A Franchise Licensee shall pay out winning progressive payout hands at the following amounts:

Hand	Payout
Royal Flush	100 percent of progressive jackpot
Straight Flush	10 percent of the progressive jackpot or $5,000, as approved in the internal control system of the Franchise Licensee.
Four-of-a-Kind	$500
Full House	$100
Flush	$ 50

(f) The rate of progression for the progressive meter that is used for the progressive payouts in paragraph (e) of this section shall not be less than 70 percent (70%). The initial and

reset amount shall be established by each Franchise Licensee with the prior approval of the Company, but it shall not be less than ten thousand dollars ($10,000.00).

(g) Winning progressive payout hands shall be paid in accordance with the amount on the meter when it is the turn of the player to be paid in accordance with the provisions of section 3.20.9 of these Regulations; provided, however, that if more than one player at a table has a Royal Flush progressive payout hand, each player shall share equally in the amount on the progressive meter when the first player with the Royal Flush is to be paid.

Section 3.20.11 Procedures for Payment of Progressive Payouts.

(a) When a player wins a progressive payout wager, the Franchise Licensee may:

(1) Pay the wager from the chips that are in the table inventory container;

(2) Issue a receipt to the player that may be changed for payment at the cashier; or

(3) Bring the payment from the cashier's cage to the player at the table.

(b) If the Franchise Licensee chooses to pay the wager pursuant to paragraph (a)(2) or (3) of this section, the Franchise Licensee shall submit to the Company for its review and approval the internal control procedures which govern the payment to a player. At a minimum, the procedures shall provide for the following:

(1) Documentation prepared by a floor employee or by his supervisor that registers the configuration of the winning hand and the amount of payment, with a copy of the same deposited in the drop box attached to the table and one copy given to the player;

(2) A form of several parts prepared by the general cashier or the supervisor of the cashier that documents the

delivery of the payment to the player or to a representative of the security department of the casino for delivery to the player;

(3) Procedures of the accounting department of the casino for verification of payment of a progressive payout wager which shall include verification of the meter reading required by section 3.20.13 of these Regulations; and

(4) Procedures for reporting winnings/losses of table games.

(c) All the forms used for the payment of progressive payout wagers shall be pre-numbered forms, each series of which shall be used in numerical order. The serial numbers of all the forms received by the casino shall be accounted for by employees independent of the cashiers and the gaming table employees. Any voided form shall be marked "NULL" and/or "VOID" and shall require the signature of its preparer.

(d) All the forms used for the payment of progressive payout wagers shall be clearly identified as forms to be used for that purpose.

(e) All progressive payouts of five hundred dollars ($500.00) or more shall be made in the presence of casino supervisor and of an Inspector, to whom a copy of the form shall be delivered. For prizes of less than five hundred dollars ($500.00), the Franchise Licensee shall deliver a copy of the payment form to the Inspector.

(f) Before payment of a progressive payout wager, a casino supervisor shall record the amount on the progressive meter and shall complete all the information required in the manner that has been approved by the Company.

Section 3.20.12 Irregularities.

(a) If a hole card is exposed before the croupier announces "No more bets" in accordance with the provisions of section 3.20.5 of these Regulations, all hands shall be void.

(b) A card that is found face up in the shoe or the deck while the cards are being dealt shall not be used in the game and shall be place in the discard rack. If more than one card is found face up in the shoe or the deck during the dealing of the cards, all hands shall be void and the cards shall be reshuffled.

(c) A card drawn in error from the shoe without its face being exposed shall be used as though it was the next card from the shoe or deck.

(d) Any error in shuffling or dealing of the cards shall result in all hands being void and the cards shall be reshuffled.

(e) If an automated card-shuffling device is being used and the device jams, stops shuffling during a shuffle, or fails to complete a shuffle cycle, the cards shall be reshuffled in accordance with the procedures approved by the Company.

(f) If an automated dealing shoe is being used and the device jams, stops dealing cards, or fails to deal all cards during a round of play, the round of play shall be void and the cards shall be removed from the device and reshuffled with any cards which have been already dealt, in accordance with the procedures approved by the Company.

(g) Any automated card shuffling device or automated dealing shoe shall be removed from a gaming table before any other method of shuffling or dealing may be used at that table.

Section 3.20.13 Progressive Payout Wagers.

(a) The progressive payout may be offered individually at each Caribbean Stud Poker table or the Franchise Licensee may connect the progressive wager among two or more Caribbean Stud Poker tables so that the progressive amount increases for all wagers at these two or more tables.

(b) Each Caribbean Stud Poker table that offers a progressive payout wager shall have the following features:

(1) A mechanical, electrical or electronic device to be known as the "in-meter" that continuously and automatically

counts the number of gaming chips wagered by the players on the progressive payout;

(2) A mechanical, electrical or electronic device to be known as the "progressive meter," which is visible from the front of the Caribbean Stud Poker table, which increases at a set rate of progression when chips are wagered and accepted for the progressive payout and which prominently displays the amount which may be won if the outcome which awards the entire progressive payout is achieved;

(3) A mechanical, electrical or electronic device to be known as the "progressive payout meter" that continuously and automatically records the number of times that each progressive payout wager is won;

(4) A separate key and key switch to reset or alter the amount on the "progressive meter" or such other separate mechanism as may be approved by the Company;

(5) A separate key locking the compartment housing the component which operates the progressive meter or other means by which to preclude any unauthorized or unintentional alteration to the progressive meter.

(c) Notwithstanding the provisions of paragraph (b)(2) of this section, if a Franchise Licensee elects to connect two or more Caribbean Stud Poker tables to a progressive payout wager in accordance with the provisions of paragraph (d) of this section, more than one Caribbean Stud Poker table may be connected to a common progressive display unit if the same is visible to all players at such tables.

(d) If a Franchise Licensee elects to connect two or more Caribbean Stud Poker tables for a progressive payout wager, the following shall be required:

(1) Chips of the same denomination shall be wagered at all Caribbean Stud Poker tables that are connected;

(2) The same number of chips shall be wagered to give a player the right to win the progressive payout wager, and each chip shall increase the meter at the same rate of progression at all tables connected;

(3) The same progressive payouts shall be offered and the probability of hitting those payouts shall be the same at the connected Caribbean Stud Poker tables; and

(4) A device that shall, either automatically or manually, lock out all progressive meters if a player has won a progressive payout wager.

(e) No Caribbean Stud Poker table shall be placed in a casino until Franchise Licensee has submitted and obtained the approval of the Company for the following:

(1) The authorized outcome that will award a progressive payout wager;

(2) The initial and reset amounts at which the progressive meter will be set;

(3) The proposed rate of progression for each progressive meter and the procedure by which any change to the rate of progression will be made which shall include, at a minimum, prior notice to and approval by the Company;

(4) The procedures governing the reset switch or the mechanism referred to in paragraph (b) of this section, which, at a minimum, shall not permit the croupier to change or alter the amount on the progressive meter;

(5) The procedures for operating all the equipment associated with the Caribbean Stud Poker table including the lockout feature referred to in paragraph (d) of this section; and

(6) Such other procedures or features that may be required by the Company.

(f) No progressive meter shall be turned back to a lesser amount unless:

(1) The amount has been actually paid to a winning player in accordance with the procedures previously approved by the Company;

(2) The progressive payout amount won by the player has been registered in accordance with the internal control system approved by the Company;

(3) The time limit established for the progressive payout pursuant to paragraph (g) of this section has expired; or

(4) The change is necessitated by a table or meter malfunction, in which case an explanation of the same shall be detailed in the Table Game Progressive Summary required in paragraph (i) of this section and the Company shall have pre-approved the resetting in writing.

(g) When a Franchise Licensee decides to permanently eliminate a Caribbean Stud Poker table, with the approval of the Company, a time limit of not less than thirty (30) days shall be established and notice of the time limit shall be provided at each table. Upon expiration of said time limit, the Franchise Licensee, with the approval of the Company, shall remove the gaming table from the casino or establish another time limit of not less than thirty (30) days.

(h) Once the time limit in accordance with the provisions established in paragraph (g) of this section has expired, the amount on any progressive meters shall be documented in accordance with the procedures approved by the Company. The initial or reset amount may be retained by the Franchise Licensee and deducted from the ending amount on any meter and the remaining portion shall be deposited in a special Company account to be distributed in the following manner: twenty-six percent (26%) into a Special Fund in the name and for the benefit of the Company to carry out its corporate functions and cover any other supervision and administration expenses related with the supervision of games; thirty percent (30%) deposited into the

Educational Fund; another thirty percent (30%) deposited into the General Fund of the University of Puerto Rico; and fourteen percent (14%) shall be sent to the Fund for the Development of the Tourism Industry in Puerto Rico.

(i) The amount indicated on the progressive payout meter, the progressive meter and the in-meter on each Caribbean Stud Poker table shall be recorded on a Table Game Progressive Summary, at a minimum, once each gaming day and each summary shall be signed by the personnel who prepare it. Supporting documents shall be maintained to explain any reduction in the registered amount from the previous entry and shall indicate the date, the number of the table, the amount of the reduction and the reason for the reduction. A copy of this summary shall be forwarded to the accounting office of the casino on a daily basis.

(j) Except as otherwise authorized by this section, any Caribbean Stud Poker table may only be removed from the casino for a period not to exceed five gaming days. The amount on the progressive meter upon the return or replacement of the gaming table shall not be less than the amount on the progressive meter at the time the same was removed. Any time limit for the offering of a progressive payout pursuant to paragraph (g) above shall be extended by the number of days during which the progressive payout was not offered as a result of any action by a Franchise Licensee pursuant to this paragraph.

(k) Each Caribbean Stud Poker table shall have any other devices, equipment, features and capabilities as may be required by the Company.

Section 3.20.14 Limits.

At the request of the Franchise Licensee, the Company shall authorize Caribbean Stud Poker tables with gaming limits of one dollar ($1.00) minimum to two thousand five hundred dollars ($2,500.00) maximum per play. Provided that the minimum and

maximum for the game of Caribbean Stud Poker refers to the Ante bet.

Notwithstanding the foregoing, the Company may discretionally approve, at the request of the Franchise Licensee, Caribbean Stud Poker tables with a maximum gaming limit higher than two thousand five hundred dollars ($2,500.00) up to a maximum of ten thousand dollars ($10,000.00) per play provided that the payment limit for each Bet wager is at least equal to the maximum permitted per play. When the payment limit for each Bet wager is higher than five thousand dollars ($5,000.00), the Franchise Licensee shall place a sign at the table to notify all players.

When establishing the limits for Caribbean Stud Poker tables, the Franchise Licensee shall be obligated to maintain a difference of not less than twenty (20) times between the minimum and the maximum of said play. For example, a Caribbean Stud Poker table with a minimum gaming limit of fifty dollars ($50.00) for an Ante wager and of one hundred dollars ($100.00) for a Bet wager shall have a maximum gaming limit of at least two thousand dollars ($2,000.00).

The authorized limits shall be stated at a prominent location on each table.

The minimum and maximum limits established by the Franchise Licensee for each table at the beginning of each shift of operation may be changed during the course of the corresponding shift, provided that the Franchise Licensee or its authorized representative informs the Inspector and the public at the gaming table at least fifteen (15) minutes in advance, that the minimum and/or maximum limit shall be increased to an amount that shall not exceed the authorized limits. In the same manner, the Franchise Licensee may decrease the limits once increased, provided that there are no players nor play at that gaming table.

The Franchise Licensee shall comply with the cash reserves and/or bonded checking account requirements to satisfy the payment of gaming debts at the new increased limit.

SUBCHAPTER - LET IT RIDE STUD POKER

Section 3.21 Definitions.

The following words and terms, when used in the sections related to Let it Ride, shall have the following meanings unless it is clearly indicated otherwise:

"Community Card" means any card that is initially dealt face down to a designated area in front of the table inventory container and which is used by all players to form a five card poker hand.

"Hand" means the five card poker hand formed by each player by combining the three cards dealt to the player and the two community cards.

"Let it Ride" means that a player chooses not to take back a wager that may be withdrawn in accordance with the provisions of section 3.21.8 of these Regulations.

"Round of play" or "Round" means one complete cycle of play during which all wagers have been placed, all cards have been dealt and all remaining wagers have been paid off or collected in accordance with the rules provided herein.

"Stub" means the portion of the deck of cards remaining after all the cards in the round of play have been dealt or delivered.

"Suit" means one of the four categories of cards: club, diamond, heart or spade.

Section 3.21.1 Rankings.

(a) The rank of the cards used in Let it Ride for the determination of winning hands, in order of highest to lowest rank, shall be: ace, king, queen, jack, ten, nine, eight, seven, six, five, four, three and two. Notwithstanding the foregoing, an ace may be used to complete a "Straight Flush" or "Straight"

formed with a two, three, four and five. All suits shall be considered equal in rank.

(b) The permissible poker hands at a game of Let it Ride, in order of highest to lowest rank, shall be:

(1) "Royal Flush" is a hand consisting of an ace, king, queen, jack and ten of the same suit;

(2) "Straight Flush" is a hand consisting of five cards in the same suit in consecutive ranking;

(3) "Four-of-a-Kind" is a hand consisting of four cards of the same rank;

(4) "Full House" is a hand consisting of "three-of-a-kind" and "one pair";

(5) "Flush" is a hand consisting of five cards of the same suit;

(6) "Straight" is a hand consisting of five cards of consecutive rank, with an ace, king, queen, jack and ten being the highest ranking straight and an ace, two, three, four and five being the lowest ranking straight; provided, however, that an ace shall not be combined with any other sequence of cards for purposes of determining a winning hand (for example, queen, king, ace, two, three);

(7) "Three-of-a-Kind" is a hand consisting of three cards of the same rank;

(8) "Two Pairs" is a hand consisting of two "pairs"; and

(9) "One Pair" is a hand consisting of two cards of the same rank.

Section 3.21.2 Opening of a Table for Gaming.

(a) After receiving a deck of cards at the table, the croupier shall sort and inspect the cards, and the supervisor of the Franchise Licensee assigned to the table shall verify that inspection.

(b) Following the inspection of the cards made by the croupier and verified by the supervisor of the Franchise Licensee assigned to the table, the cards shall be spread out face up on the table for a visual inspection by the first player to arrive at the table. The cards shall be spread out according to suit and in sequence.

(c) After the first player has been afforded an opportunity to visually inspect the cards, the cards shall be turned face down on the table, mixed thoroughly by a "washing" or "chemmy shuffle" of cards and grouped into one stack. Once the cards have been stacked, they shall be shuffled in accordance with the provisions of section 3.21.3 of these Regulations.

(d) If a Franchise Licensee uses an automated card shuffling device and two decks of cards are received at the table in accordance with the provisions of section 4.10 of these Regulations, each deck of cards shall be separately inspected, verified, spread, mixed, stacked and shuffled in accordance with the provisions of paragraphs (a) through (c) of this section.

(e) All the cards opened for use at a table and dealt from a manual or automated dealing shoe shall be changed at least once every eight hours. All the cards opened for use at a table and dealt from the hand shall be changed at least once every four hours.

(f) The procedures for complying with this section shall be submitted to the Company for its approval.

Section 3.21.3 Shuffle and Cut of the Cards.

(a) Immediately before commencing to play and after each round of play has been completed, the croupier shall shuffle the cards, either manually or by use of an automated card shuffling device, so that the cards are randomly intermixed. Upon completion of the shuffle, the croupier or the device shall place the deck of cards in a single stack; provided, however, that nothing provided herein shall be deemed to prohibit the use of an

automated card shuffling device which, upon completion of the shuffling of the cards, directly transfers the stack of cards to a dealing shoe.

(b) After the cards have been shuffled and stacked, the croupier shall:

(1) If the cards were shuffled using an automated card shuffling device, deal or deliver the cards in accordance with the procedures set forth in section 3.21.5, 3.21.6 or 3.21.7 of these Regulations; or

(2) If the cards were shuffled manually, cut the cards in accordance with the procedures set forth in paragraph (c) of this section.

(c) If a cut of the cards is required, the croupier shall, using one hand, cut the deck of cards by taking a stack of at least ten (10) cards from the top of the deck and placing them on top of the cover card. The croupier shall place the cards remaining in the deck on top of the stack of cards that were cut. Thereafter, the croupier shall remove the cover card and shall place it in the discard rack. The croupier shall proceed to deal the cards in accordance with the procedures set forth in section 3.21.5, 3.21.6 or 3.21.7 of these Regulations. The cover card shall always be placed in front of the deck of cards prior to the cut of the cards by the croupier.

(d) Whenever there is no gaming activity at a Let it Ride table which is open for gaming, the cards shall be spread out on the table either face up or face down. If the cards are spread face down, they shall be turned face up once a player arrives at the table. After the first player has had the opportunity to inspect the cards, the procedures set forth in paragraph (c) of section 3.21.2 of these Regulations shall be completed.

Section 3.21.4 Wagers.

(a) All wagers at Let it Ride shall be made by placing gaming chips on the corresponding betting areas of the table layout. Verbal and/or cash wagers shall not be accepted.

(b) Only players who are seated at a Let it Ride table may wager at the game. Once a player has placed his wager and received cards, that player must remain seated until the completion of the round of play.

(c) All the wagers shall be placed before the croupier announces "No more bets" in accordance with the procedures provided in section 3.21.5, 3.21.6 or 3.21.7 of these Regulations. Except as provided in paragraph (d) of this section, no wager shall be made, increased, or withdrawn after the croupier has announced "No more bets."

(d) At the beginning of each round of play, each player shall be required to place three equal but separate wagers. The wagers shall be identified as bet number 1, bet number 2 and bet number 3. Bet number 1 and bet number 2 may be subsequently removed at the request of the player in accordance with the provisions of section 3.21.8 of these Regulations.

(e) The Franchise Licensee may, at its discretion, permit a player to place wagers at two betting positions during a round of play provided that the two betting positions are adjacent to each other.

Section 3.21.5 Procedures for Dealing the Cards from a Manual Dealing Shoe.

(a) If a Franchise Licensee chooses to have the cards dealt from a manual dealing shoe, the dealing shoe shall have the prior approval of the Company and shall be located at the table in a position approved by the Company. When the procedures required by section 3.21.3 of these Regulations have been completed, the deck of cards shall be placed in the dealing shoe either by the croupier or by the automated card shuffling device.

(b) The croupier shall announce "No more bets" before dealing any cards. Each card shall be removed from the dealing shoe with the hand of the croupier that is closest to the dealing shoe and placed on the appropriate area of the layout with the opposite hand.

(c) The croupier shall deal the cards, starting with the player farthest to his left and continuing around the table from left to right, as follows:

(1) One card face down to each player who has placed three wagers in accordance with the provisions of section 3.21.4 of these Regulations;

(2) One card face down to the area designated for the placement of the community cards;

(3) A second card face down to each player who has placed three wagers in accordance with the provisions of section 3.21.4 of these Regulations;

(4) A second card face down to the area designated for the placement of the community cards, which card shall be placed on top of the first card dealt to this area;

(5) A third card face down to each player who has placed three wagers in accordance with the provisions of section 3.21.4 of these Regulations;

(6) A third card face down to the area designated for the placement of the community cards, which card shall be placed on top of the first two cards dealt to this area.

(d) Once three cards have been dealt to each player and to the area designated for placement of the community cards, the croupier shall remove the stub from the manual dealing shoe and, except as provided in paragraph (e) of this section, place the stub in the discard rack without exposing the cards.

(e) The croupier shall count the stub at least once every five rounds of play to determine that the correct number of cards is still present in the deck. The croupier shall determine the

amount of cards in the stub by counting the cards face down on the layout.

(1) If the count of the stub indicates that there are fifty-two (52) cards in the deck, the croupier shall place the stub in the discard rack without exposing the cards.

(2) If the count of the stub indicates that the number of cards in the deck is incorrect, the croupier shall determine if the cards were misdealt. If the cards were misdealt (a player or the area designated for the placement of the community cards has more or less than three cards) but fifty-two (52) cards remain in the deck, all hands shall be void in accordance with the provisions of section 3.21.9 of these Regulations. If the cards have not been misdealt, all the hands shall be considered void and the entire deck of cards shall be removed from the table.

(f) Notwithstanding the provisions of paragraph (e) of this section, the counting of the stub shall not be required if an automated card shuffling device is used that counts the number of cards in the deck after the completion of each shuffle and indicates whether fifty-two (52) cards are still present. If the automated card-shuffling device reveals that an incorrect number of cards is present, the deck of cards shall be removed from the table after a manual count is done to verify that no mechanical defect exists.

Section 3.21.6 Procedures for Dealing the Cards from the Hand.

(a) Notwithstanding any other provision, a Franchise Licensee may, at its discretion, permit a croupier to deal the cards used to play Let it Ride from his hand.

(b) If the Franchise Licensee chooses to have the cards dealt from the hand of the croupier, the following procedures shall be observed:

(1) The Franchise Licensee shall use an automated shuffling device to shuffle the cards;

(2) Once the procedures required by section 3.21.3 of these Regulations have been completed, the croupier shall place the deck of cards in either hand;

(i) Once the croupier has chosen the hand in which he will hold the cards, the croupier shall use that hand at all times to hold the cards during that round of play.

(ii) The cards held by the croupier shall at all times be kept in front of the croupier and over the table inventory container.

(3) The croupier shall then announce "No more bets" before dealing any cards. The croupier shall deal each card by holding the deck of cards in the chosen hand and using the other hand to remove the top card of the deck and placing it face down on the appropriate area of the layout;

(c) The croupier shall deal the cards, starting with the player farthest to his left and continuing around the table from left to right, as follows:

(1) One card face down to each player who has place three wagers in accordance with the provision of section 3.21.4 of these Regulations;

(2) One card face down to the area designated for the placement of the community cards;

(3) A second card face down to each player who has placed three wagers in accordance with the provisions of section 3.21.4 of these Regulations;

(4) A second card face down to the area designated for the placement of the community cards, which card shall be placed on top of the first card dealt to this area;

(5) A third card face down to each player who has placed three wagers in accordance with the provisions of section 3.21.4 of these Regulations;

(6) A third card face down to the area designated for the placement of the community cards, which card shall be placed on top of the first two cards dealt to this area.

(d) Once three cards have been dealt to each player and the area designated for placement of the community cards, the croupier shall, except as provided in paragraph (e) of this section, place the stub in the discard rack without exposing the cards.

(e) The croupier shall count the stub at least once every five rounds of play to determine that the correct number of cards is still present in the deck. The croupier shall count the stub in accordance with the provisions of paragraphs (e) and (f) of section 3.21.5 of these Regulations.

Section 3.21.7 Procedures for Dealing the Cards from an Automated Dealing Shoe.

(a) Notwithstanding any other provision, a Franchise Licensee may, at its discretion, choose to have the cards used to play Let it Ride dealt from an automated dealing shoe which dispenses cards in stacks of three, provided that the shoe, its location and the procedures for its use have been previously approved by the Company.

(b) If a Franchise Licensee chooses to have the cards dealt from an automated dealing shoe, the following procedures shall be observed:

(1) Once the procedures required by section 3.21.3 of these Regulations have been completed, the croupier shall place the deck of cards in the automated dealing shoe.

(2) The croupier shall then announce "No more bets" before the automated dealing shoe dispenses any group of cards.

(c) The croupier shall deliver the first group of cards dispensed by the automated dealing shoe face down to the player farthest to his left who has placed three wagers in accordance with section 3.21.4 of these Regulations. As the groups of cards

are subsequently dispensed to the croupier by the automated dealing shoe, the croupier shall, moving from left to right, deliver a group face down to each of the players who has placed three wagers in accordance with the provisions of section 3.21.4 of these Regulations. The croupier shall then deliver a group of three cards face down to the area designated for the placement of the community cards.

(d) After each group of three cards has been dispensed and delivered by the automated dealing shoe in accordance with this section, the croupier shall remove the stub from the automated dealing shoe and, except as provided in paragraph (e) of this section, place the cards in the discard rack without exposing the same.

(e) The croupier shall count the stub at least once every five rounds of play to determine that the correct number of cards is still present in the deck. The croupier shall count the stub in accordance with the provisions of paragraphs (e) and (f) of section 3.21.5 of these Regulations.

Section 3.21.8 Procedures for Completion of Each Round of Play.

(a) After the dealing procedures required by section 3.21.5, 3.21.6 or 3.21.7 of these Regulations have been completed, each player shall examine his cards.

(1) Each player who wagers at Let it Ride shall be responsible for his hand and no person other than the croupier may touch the cards of that player.

(2) Each player shall keep his three cards in full view of the croupier at all times.

(3) After each player has made a decision regarding bet number 2 in accordance with the provisions of paragraph (e) of this section, the cards of each player shall be placed face down on the appropriate area of the layout. The player shall not touch the cards again.

(b) After each player has examined his cards, the croupier shall ask each player, beginning with the player farthest to the left of the croupier and continuing from left to right around the table, if he wishes to withdraw bet number 1 or Let it Ride.

(1) If the player decides to let bet number 1 ride, that bet shall remain on the appropriate betting area of the layout until the end of the round of play.

(2) If the player decides to withdraw bet number 1, the croupier shall remove the gaming chips from the betting area designated for bet number 1 toward the player who shall immediately remove the gaming chips from the betting area.

(c) After each player has made a decision regarding bet number 1, the croupier shall burn the top card in the group of three cards dealt to the area designated for the placement of the community cards. The burned card shall be place in the discard rack face down.

(d) The croupier shall proceed to turn the top card of the two remaining in the community card area face up and shall place the same on top of the remaining card. The exposed card shall become the first community card.

(e) After the first community card is exposed, the croupier shall, beginning with the player farthest to his left and moving from left to right around the table, ask each player if he wishes to withdraw bet number 2 or Let it Ride. This decision shall be made by each player regardless of the decision made concerning bet number 1.

(1) If the player decides to let bet number 2 ride, that bet shall remain on the appropriate betting area of the layout until the end of the round of play.

(2) If the player decides to withdraw bet number 2, the croupier shall remove the gaming chips from the betting area designated for bet number 2 and towards the player who shall immediately remove the gaming chips from the betting area.

(f) The croupier shall then move the first community card to the right of the card that remains face down in the community card area. The face down card shall be turned face up by the croupier and shall become the second community card.

(g) After the second community card is turned face up , the croupier shall, beginning with the player farthest to his right and moving from right to left around the table, turn the three cards of each player face up .

(1) The two community cards and the three cards dealt to each player shall form the five card poker hand of each player.

(2) The croupier shall examine the cards of each player to determine if the hand of the player qualifies for the payout in accordance with the provisions of section 3.21.9 of these Regulations.

(h) Any wager on a hand that has a rank lower than a pair of tens shall be a losing wager. Wagers shall be settled one by one from right to left. All losing wagers shall be immediately collected by the croupier and placed in the table inventory container. The three cards of any player that has a losing wager shall be collected and placed in the discard rack.

(i) All winning hands shall remain face up on the layout until all wagers have been paid by the croupier. All winning wagers shall be paid in accordance with the payout odds indicated in section 3.21.8 of these Regulations or as otherwise approved by the Company.

(1) The croupier shall pay all winning wagers beginning with the player farthest to his right and continuing from right to left around the table.

(2) After paying all winning wagers, the croupier shall immediately collect the cards of all winning players and the community cards and place them in the discard rack.

(j) All cards collected by the croupier shall be picked up in order and placed in the discard rack in such a way that each hand may be easily reconstructed in the event that a question or dispute arises.

Section 3.21.9 Payout Odds.

(a) The payout odds for winning wagers at Let it Ride printed on any layout or in any brochure or other publication distributed by a Franchise Licensee shall be indicated by the use of the word "to" or "win" and no odds shall be stated through the use of the word "for".

(b) Subject to the payout limitation provided in paragraph (c) of this section, a Franchise Licensee shall pay off each winning wager at the game of Let it Ride at the odds indicated below:

Wager	Payout Odds
Royal Flush	1,000 to 1
Straight Flush	200 to 1
Four-of-a-Kind	50 to 1
Full House	11 to 1
Flush	8 to 1
Straight	5 to 1
Three-of-a-Kind	3 to 1
Two Pairs	2 to 1
Pair of Tens	1 to 1

(c) Notwithstanding the minimum payout odds required by paragraph (b) of this section, a Franchise Licensee may establish a maximum amount of fifty thousand dollars ($50,000.00) or such greater amount as is approved by the Company that is payable to a player on a single hand. If the established payout limit is not included on the layout, each Franchise Licensee shall provide notice of any decrease in the payout limit in accordance with the provisions of section 3.21.1 of these Regulations.

(d) Subject to the payout limitation provided in paragraph (c) of this section, a Franchise Licensee at his own discretion shall apply one of the following pay tables in the "Let it Ride Bonus."

	LIRB - 08		LIRB - 10		LIRB - 25	
	Primary Pay Table	**Secondary Pay Table**	**Primary Pay Table**	**Secondary Pay Table**	**Primary Pay Table**	**Secondary Pay Table**
Royal Flush	1,000 to	$20,000	500 to 1	$10,000	100 to 1	$10,000
Straight Flush	200 to 1	$2,000	200 to 1	$2,000	50 to 1	$2,000
4 of a Kind	50 to 1	$400	50 to 1	$100	30 to 1	$100
Full House	11 to 1	$200	11 to 1	$75	15 to 1	$75
Flush	8 to 1	$50	8 to 1	$50	9 to 1	$50
Straight	5 to 1	$25	5 to 1	$25	6 to 1	$25
Three of a Kind	3 to 1	$5	3 to 1	$8	3 to 1	$8
Two Pairs	2 to1		2 to1	$4	2 to1	$4
10s or Better	1 to 1		1 to 1		1 to 1	

Section 3.21.10 Irregularities.

(a) If a card is found face up in the shoe or in the deck while the cards are being dealt, all hands shall be void and the cards shall be reshuffled.

(b) A card that has been dealt in error without its face being exposed shall be used as if it was the next card from the shoe or the deck.

(c) If any player or the area designated for the placement of the community cards is dealt an incorrect number of cards, all hands shall be void and the cards shall be reshuffled.

(d) If an automated card shuffling device is being used and the device jams, stops shuffling during a shuffle, or fails to

complete a shuffle cycle, the cards shall be reshuffled in accordance with the procedures approved by the Company.

(e) If an automated dealing shoe is being used and the dealing device jams, stops dealing cards, or fails to deal all cards during a round of play, the round of play shall be void and the cards shall be removed from the device and reshuffled with any cards already dealt, in accordance with the procedures approved by the Company.

(f) Any automated card shuffling device or automated dealing shoe shall be removed from a gaming table before any other method of shuffling or dealing may be utilized at that table.

Section 3.21.11 Limits.

At the request of the Franchise Licensee, the Company shall authorize Let it Ride tables with gaming limits of one dollar ($1.00) minimum to ten thousand dollars ($10,000.00) maximum per play. Provided that the minimum and maximum for the game of Let it Ride refers to each one of the three wagers individually.

When establishing the limits for Let it Ride tables, the Franchise Licensee shall be obligated to maintain a difference of not less than ten (10) times between the minimum and the maximum per play. For example, a Let it Ride table with a minimum gaming limit of one hundred dollars ($100.00) per wager shall have a maximum gaming limit of at least one thousand dollars ($1,000.00) per wager.

The authorized limits shall be stated at a prominent location on each table.

The minimum and maximum limits established by the Franchise Licensee for each table at the beginning of each shift of operation may be changed during the course of the corresponding shift, provided that the Franchise Licensee or its authorized representative informs the Inspector and the public at the gaming table at least fifteen (15) minutes in advance, that the minimum

and/or maximum limit shall be increased to an amount that shall not exceed authorized limits. In the same manner, the Franchise Licensee may decrease the limits once increased, provided that there are no players nor play at that gaming table.

The Franchise Licensee shall comply with the cash reserves and/or bonded checking account requirements to satisfy the payment of gaming debts at the new increased limit.

SUBCHAPTER - BIG SIX WHEEL

Section 3.22 Payout Odds.

(a) No Franchise Licensee or his employees or agents shall pay off winning wagers made at the game of Big Six Wheel at odds less than those indicated below:

Bet On	Payout Odds
$ 1 Insignia	1 to 1
$ 2 Insignia	2 to 1
$ 5 Insignia	5 to 1
$10 Insignia	10 to 1
$20 Insignia	20 to 1
Joker	45 to 1
Flag	45 to 1

Section 3.22.1 Wagers and Rotation of the Wheel.

(a) Before spinning the wheel, the croupier shall announce "No more bets".

(b) The croupier shall spin the Big Six Wheel in either direction and the same shall complete at least three revolutions for it to constitute a valid spin.

(c) If upon completion of the spin of the wheel of the Big Six Wheel the indicator (clapper) comes to rest between two numbers, the Franchise Licensee may choose one of the following alternatives:

(1) Declare that the winning number is the one previously passed; or

(2) Declare the spin void and re-spin the wheel.

(d) Upon a Franchise Licensee choosing one of the options indicated in paragraph (c) of this section, it shall prominently display a sign at each table indicating the option that is in effect.

(e) Upon completion of the spin, the croupier shall first collect all losing wagers and then pay off all winning wagers.

(f) The wheel shall be inspected every day before it is opened for play. During the inspection, the wheel shall be spun in both directions in order to verify that the rotation level is correct.

Section 3.22.2 Limits.

At the request of the Franchise Licensee, the Company shall authorize Big Six Wheels with gaming limits of one dollar ($1.00) minimum to five hundred dollars ($500.00) maximum.

When establishing limits for Big Six Wheel tables, the Franchise Licensee shall be obligated to maintain a difference of not less than ten (10) times between the minimum and the maximum per play. For example, a Big Six Wheel table with a minimum gaming limit of one dollar ($1.00) per wager shall have a maximum gaming limit of at least ten dollars ($10.00) per wager.

The authorized limits shall be posted at a prominent location on each table.

The minimum and maximum limits established by the Franchise Licensee for each table at the beginning of each shift of operation may be changed during the course of the corresponding shift, provided that the Franchise Licensee or its authorized representative informs the Inspector and the public at the gaming table at least fifteen (15) minutes in advance, that the minimum and/or maximum limit shall be increased to an amount that shall not exceed authorized limits. In the same manner, the Franchise Licensee may decrease the limits once increased, provided that there are no players nor play at that gaming table.

The Franchise Licensee may, as an alternative to establishing a minimum and maximum per play, establish a system of maximum payout per wager allowing a player to bet such wager in proportion to the maximum established payout. For example, if the maximum established payout is four hundred fifty dollars ($450.00), a player may wager up to ten dollars ($10.00) on a wager with payout odds of forty-five (45) to one (1) and up to four hundred and fifty dollars ($450.00) on a wager with payout odds of one (1) to one (1).

The Franchise Licensee shall comply with the cash reserves and/or bonded checking account requirements to satisfy the payment of gaming debts at the new increased limit.

SUBCHAPTER - PAI GOW POKER

Section 3.23 Definitions.

The following words and terms, when used in the sections related to Pai Gow Poker, shall have the following meanings unless the context clearly indicates otherwise.

"Bank" shall mean the player who elects to have the other players and the croupier play against him and accepts the responsibility to pay all winning wagers.

"Co-Bank" is defined in section 3.23.11 of these Regulations.

"Copy Hand" shall mean either a two card hand or a five card hand of a player that is identical in rank to the corresponding two card hand or to the five card hand of the croupier or the bank.

"High Hand" shall mean the five card hand that is formed from the seven cards dealt at the game of Pai Gow Poker so as to rank equal to or higher than the two card low hand.

"Low Hand" shall mean the two card hand that is formed from the seven cards dealt at the game of Pai Gow Poker so as to rank lower than the five card high hand.

"Marker" shall mean an object or objects used to designate the Bank or the Co-Bank, as approved by the Company.

"Push" is a tie as defined in section 3.23.10 of these Regulations.

"Rank" or "Ranking" shall mean the relative position of a card or group of cards as set forth in section 3.23.1 of these Regulations.

"Second Highest or Low Hand" shall mean the two card hand that is formed from the seven cards dealt at the game of Pai Gow Poker so as to rank equal to or lower than the five card high hand.

"Setting the Hands" shall mean the process of forming a high hand and a low hand from the seven cards dealt.

"Suit" shall mean one of the four categories of cards, that is, diamond, spade, club or heart.

Section 3.23.1 Rankings; Cards; Poker Hands.

(a) The rank of the cards that are used in Pai Gow Poker, in order of highest to lowest rank, shall be: ace, king, queen, jack, ten, nine, eight, seven, six, five, four, three and two. Notwithstanding the foregoing, an ace may be used to complete a Straight Flush or a Straight formed with a two, three, four and five. Except as otherwise provided in paragraph (c) of this section, the joker shall be used and ranked as an ace.

(b) The permissible poker hands at the game of Pai Gow Poker, in order of highest to lowest rank, shall be:

(1) "Five Aces" is a hand consisting of four aces and a joker;

(2) "Royal Flush" is a hand consisting of an ace, king, queen, jack and ten of the same suit;

(3) "Straight Flush" is a hand consisting of five cards of the same suit in consecutive ranking, with an ace, two, three, four and five being the highest ranking Straight Flush; a king, queen, jack, ten and nine being the second highest ranking

Straight Flush, and a six, five, four, three and two being the lowest ranking Straight Flush;

(4) "Four-of-a-Kind" is a hand consisting of four cards of the same rank regardless of suit, with four aces being the highest ranking "Four-of-a-Kind," and four twos being the lowest ranking Four-of-a-Kind;

(5) "Full House" is a hand consisting of "Three-of-a-Kind" and a "Pair," with three aces and two kings being the highest ranking Full House, and three twos and two threes being the lowest ranking Full House;

(6) "Flush" is a High Hand consisting of five cards of the same suit. When comparing two Flush hands, the provisions of paragraph (e) of this section shall apply;

(7) "Straight" is a High Hand consisting of five cards of consecutive rank, regardless of suit, with an ace, king, queen, jack and ten being the highest ranking Straight; an ace, two, three, four and five being the second highest ranking Straight, and a six, five, four three and two being the lowest ranking Straight;

(8) "Three-of-a-Kind" is a High Hand consisting of three cards of the same rank regardless of suit, with three aces being the highest ranking Three-of-a-Kind and three twos being the lowest ranking Three-of-a-Kind;

(9) "Two Pairs" is a High Hand consisting of two pairs, with two aces and two kings being the highest ranking Two Pairs hand, and two threes and two twos being the lowest ranking Two Pairs hand; and

(10) "Pair" is either a High Hand or a Low Hand consisting of two cards of the same rank, regardless of suit, with two aces being the highest ranking Pair and two twos being the lowest ranking Pair.

(c) To arrange the hands, a joker may be used as any card to complete a Straight, a Flush, a Straight Flush or a Royal Flush.

(d) Notwithstanding the provision of paragraph (b) of this section, a Franchise Licensee may, at its discretion, determine that a Straight Flush formed with an ace, two, three, four and five of the same suit shall be the lowest ranking Straight Flush, and that a Straight formed with an ace, two, three, four and five, regardless of suit, shall be the lowest ranking Straight. If a Franchise Licensee chooses to exercise this option, it shall previously notify the Company and include it in the rules of the game available for players.

(e) When comparing two High Hands or two Low Hands which are of identical poker and hand rank in accordance with the provisions of this section, or which contain none of the poker hands authorized herein, the hand which contains the highest ranking card, as provided in paragraph (a) of this section, which is not contained in the other hand shall be considered the higher ranking hand. If the two hands are of identical rank after the application of this paragraph, the hands shall be considered a copy hand.

Section 3.23.2 Shaker and Dice; Computerized Random Number Generator.

(a) Pai Gow Poker shall be played with three dice which shall be maintained at all times inside a Pai Gow Poker shaker. The Pai Gow Poker shaker shall meet the requirements established in section 4.12 of these Regulations.

(1) The croupier shall be responsible for the Pai Gow Poker shaker and dice, which shall never be left unattended while at the table.

(2) The dice that have been placed in a Pai Gow Poker shaker to be used in the game shall not remain on a table for more than 24 hours.

(b) As an alternative to the Pai Gow Poker shaker and dice described in paragraph (a) of this section, a Franchise Licensee may, in accordance with sections 4.12 and 3.23.9, play the game of Pai Gow Poker with a computerized random number generator that automatically selects and displays a number from 1 through 7, inclusive.

Section 3.23.3 Opening of a Table for Gaming.

(a) After receiving a deck of cards at the table, the croupier shall sort and inspect the cards, and the supervisor of the Franchise Licensee assigned to the table shall verify the inspection. If the deck of cards used by the Franchise Licensee contains two jokers, the croupier and the casino supervisor shall ensure that only one joker is utilized and that the other joker is torn in half and discarded.

(b) Following the inspection of the cards made by the croupier and verified by the supervisor of the Franchise Licensee assigned to the table, the cards shall be spread out face up on the table for visual inspection by the first player to arrive at the table. The cards shall be spread out according to suit and in sequence and shall include one joker.

(c) After the first player has had the opportunity to visually inspect the cards, the cards shall be turned face down on the table, and shall be mixed thoroughly by a "washing" or "chemmy shuffle" and grouped into one stack, the same shall be shuffled in accordance with the provisions of section 3.23.4 of these Regulations.

(d) If the Franchise Licensee uses an automated card shuffling device to play the game of Pai Gow Poker and two decks of cards are received at the table pursuant to the provisions of section 4.12 of these Regulations, each deck of cards shall be separately sorted, inspected, verified, spread, mixed, stacked and shuffled in accordance with the provisions of paragraphs (a) and (c) of this section, prior to the commencement of play.

(e) All cards opened for use on a Pai Gow Poker table and dealt from a manual or an automated dealing shoe shall be changed at least once every eight hours. All cards opened for use on a Pai Gow Poker table and dealt from the hand shall be changed at least once every four hours.

(f) The procedures for compliance with this section shall be submitted to the Company for approval.

Section 3.23.4 Shuffle and Cut of the Cards.

(a) Immediately before commencing play and after completion of each round of play, the croupier shall shuffle the cards either manually or by use of an automated card shuffling device so that the cards are randomly intermixed. After shuffling, the croupier or the device shall place the deck of cards in a single stack: provided, however, that nothing herein provided shall be understood to prohibit an automated card shuffling device which, upon completion of the shuffling of the cards, transfers the deck of cards directly into an automated or manual dealing shoe.

(b) After the cards have been shuffled and stacked, the croupier shall:

(1) If the cards were shuffled using an automated card shuffling device, deal or deliver the cards in accordance with the procedures set forth in section 3.23.6, 3.23.7 or 3.23.8 of these Regulations; or

(2) If the cards were shuffled manually, cut the cards in accordance with the procedures set forth in paragraphs (c) through (e) of this section.

(c) Upon completion of a manual shuffle, the croupier shall place the stacked cards on top of the cover card. Thereafter, the croupier shall offer the stacked cards to be cut, with the backs facing up and faces facing the layout, to the player determined pursuant to paragraph (d) of this section. If no player accepts the cut, the croupier shall cut the cards.

(d) The cut of the cards shall be offered to the players in the following order:

(1) The first player to arrive at the table, if the game is just beginning;

(2) The player who accepts to serve as the bank pursuant to the provisions of section 3.23.11 of these Regulations; provided, however, that if the bank refuses the cut, the cards shall be offered to each player beginning with the bank and moving from right to left around the table until a player accepts the cut; or

(3) The player at the farthest point to the right of the croupier, if there is no bank during a round of play; provided, however, that if there are two or more consecutive rounds of play where there is no bank, the offer to cut the cards shall rotate from right to left after the player to the far right of the croupier has been offered the cut.

(e) The player or croupier making the cut shall place the cutting card in the cards stacked at a distance of at least ten cards from either end. Once the cutting card has been inserted, the croupier shall take the cutting card and all the cards on top of the cutting card and place them on the bottom of the stack. The croupier shall then remove the cover card and place it on the bottom of the stack. Thereafter, the croupier shall remove the cutting card and, at the discretion of the Franchise Licensee, either place it in the discard rack or use it as an additional cutting card to be inserted four cards from the bottom of the deck. The croupier shall then deal or deliver the cards in accordance with the procedures set forth in section 3.23.6, 3.23.7 or 3.23.8 of these Regulations.

(f) Whenever there is no gaming activity at a Pai Gow Poker table that is open for play, the cards shall be spread out on the table either face up or face down. If the cards are spread face down, they shall be turned face up once a player arrives at the

table. After the first player is afforded an opportunity to visually inspect the cards, the procedures set forth in paragraph (c) of section 3.23.3 of these Regulations shall be completed.

Section 3.23.5 Wagers.

(a) Any wager at Pai Gow Poker shall be made by placing gaming chips on the corresponding betting area of the Pai Gow Poker table layout. No verbal wagers accompanied by cash shall be accepted at the game of Pai Gow Poker.

(b) Only the players who are seated at a Pai Gow Poker table may place a wager at the game. Once a player has place his bet and received cards, that player must remain seated until completion of the round of play.

(c) All Pai Gow Poker wagers shall be placed before the croupier announces "No more bets," in accordance with the dealing procedures set forth in section 3.23.6, 3.23.7 or 3.23.8 of these Regulations. No wager shall be made, increased or withdrawn after the croupier has announced "No more bets."

Section 3.23.6 Procedures for Dealing the Cards from a Manual Dealing Shoe.

(a) If the Franchise Licensee chooses to have the cards dealt from a manual dealing shoe, the dealing shoe shall have been previously approved by the Company and shall be placed on the table to the left of the croupier. Once the procedures set forth in section 3.23.4 of these Regulations have been completed, the cards shall be placed in the manual dealing shoe and the croupier shall announce "No more bets."

(b) The croupier shall then, using one of the procedures authorized by section 3.23.9 of these Regulations, determine the starting position for dealing the cards. If the Franchise Licensee offers the additional wager authorized by section 3.23.14 of these Regulations, all such additional wagers shall be determined and paid and the procedures set forth in section

3.23.14 of these Regulations shall be completed before dealing the cards to the players at the table.

(c) After the starting position for dealing the cards has been determined, the croupier shall remove each card from the dealing shoe with his left hand and place it face down on the corresponding area of the layout with his right hand. The croupier shall deal the first card to the starting position, as determined in paragraph (b) above and, moving from right to left around the table, deal a card to all other positions, including the croupier, regardless of whether there is a wager at the position. The croupier shall then return to the starting position and deal a second card moving in the same direction, and shall continue dealing the cards until each position, including the croupier, has seven cards.

(d) After the seven cards have been dealt to each position, including the croupier, the croupier shall remove the remaining cards from the shoe and determine if in fact four cards remain.

(1) If four cards remain, the four cards shall not be exposed to anyone and shall be placed in the discard rack. The croupier shall then collect any cards dealt to the positions where there are no wagers and place them in the discard rack without exposing the cards.

(2) If more or less than four cards remain, the croupier shall determine if the cards were misdealt. If the cards were misdealt and a player or the croupier has more or less than seven cards, all hands shall be considered void in accordance with the provisions of section 3.23.12 of these Regulations. If the cards were not misdealt, all hands shall be considered void and the entire deck of cards shall be removed from the table.

Section 3.23.7 Procedures for Dealing the Cards From the Hand.

(a) Notwithstanding any other provision, a Franchise Licensee may, at its discretion, permit a croupier to deal the cards used to play Pai Gow Poker from his own hands.

(b) If a Franchise Licensee chooses to have the cards dealt from the hand of the croupier, the following procedures shall be observed:

(1) Once the procedures required by section 3.23.4 of these Regulations have been completed, the croupier shall place the deck of cards in either of his hands.

(i) Once the croupier has chosen the hand in which he will hold the cards, the croupier shall use that hand at all times to hold the cards during that round of play;

(ii) The cards held by the croupier shall be kept at all times in front of the croupier and over the table inventory container;

(2) The croupier shall then announce "No more bets" before dealing seven stacks of seven cards to each area in front of the table inventory container. The croupier shall deal each card by holding the deck of cards in the chosen hand and using the other hand to remove the top card of the deck and place it face down on the appropriate area of the layout;

(c) The croupier shall deal the first seven cards moving from left to right and the second seven cards moving from right to left, and shall continue alternating in this manner until there are seven stacks of seven cards.

(d) After seven stacks of seven cards have been dealt, the croupier shall determine whether exactly four cards are left by spreading them face down on the layout.

(1) If four cards remain, the cards shall not be exposed to anyone at the table and shall be placed in the discard rack.

(2) If more or less than four cards remain, the croupier shall determine if the cards were misdealt. If the cards were misdealt and a stack has more or less than seven cards, the round of play shall be void and the cards reshuffled. If the cards have not been misdealt, the round of play shall be considered void and the entire deck of cards shall be removed from the table.

(e) Once the croupier has finished dealing the seven stacks and placed the four remaining cards in the discard rack, the croupier shall then, using one of the procedures authorized by section 3.23.9 of these Regulations, determine the starting position for delivering the groups of cards. If the Franchise Licensee offers the additional wager authorized in accordance with section 3.23.14 of these Regulations, all such wagers shall be determined and paid and the procedures provided in section 3.23.14 of these Regulations shall be completed before dealing any group of cards to the players at the table.

(f) After determining the starting position for delivering the groups of cards, the croupier shall deliver the first group to the starting position as determined in paragraph (e) of this section and, moving from right to left around the table, shall deliver the remaining groups in order to all positions, including the croupier, regardless of whether or not there is a wager at the position. When delivering the groups, the group farthest to the left of the croupier shall be considered the first group, and the group farthest to the right of the croupier shall be considered the seventh group. The croupier shall deliver each group face down.

(g) After the seven groups of cards have been delivered to each position, including the croupier, the croupier shall collect any groups dealt to a player position where there is no wager and place them in the discard rack without exposing the cards.

Section 3.23.8 Procedures for Dealing the Cards From an Automated Dealing Shoe.

(a) Notwithstanding any other provision, the Franchise Licensee may, at its discretion, choose to have the cards used to play Pai Gow Poker dealt from an automated dealing shoe which dispenses the cards in groups of seven cards, provided that the shoe, its location and the procedures for its use shall be approved in advance by the Company.

(b) If the Franchise Licensee chooses to have the cards dealt from an automated dealing shoe, the following requirements shall be observed:

(1) Once the procedures required by section 3.23.4 of these Regulations have been completed, the cards shall be placed in the automated dealing shoe.

(2) The croupier shall then announce "No more bets" before the shoe dispenses any group of cards.

(c) The croupier shall then, using one of the procedures authorized by section 3.23.9 of these Regulations, determine the starting position for delivering the groups of cards. If the Franchise Licensee offers the additional wager authorized by 3.23.14 of these Regulations, all such additional wagers shall be determined and paid, and the procedures provided by section 3.23.14 of these Regulations shall be completed, before any group of cards is dealt to the players at the table.

(d) Once the starting position has been determined in accordance with paragraph (c) of this section, the croupier shall deliver the first group of cards dispensed by the shoe to such position. As the remaining groups are dispensed to the croupier by the automated dealing shoe, the croupier shall deliver a group in turn to each of the other positions, including the croupier, moving from left to right around the table, regardless of whether or not there is a wager at the position. The croupier shall deliver each group face down.

(e) After the seven groups of seven cards have been dispensed and delivered to each position, including the croupier, the croupier shall remove the remaining cards from the shoe and determine if in fact there are four cards left by spreading them face down on the layout.

(1) If four cards remain, the cards shall not be shown to anyone at the table and shall be placed in the discard rack.

(2) If more or less than four cards remain, the croupier shall determine if the cards were misdealt. If the cards were misdealt and a group has more or less than seven cards, the round of play shall be void and the cards reshuffled. If the cards were not misdealt, the round of play shall be considered void and the entire deck of cards shall be removed from the table.

(f) If the croupier determines that the cards were dealt properly, the croupier shall then collect any groups dealt to a position where there is no wager and place them in the discard rack without exposing the cards.

Section 3.23.9 Procedure for Determining the Starting Position for Dealing Cards or Delivering Groups of Cards.

(a) In order to determine the starting position for the dealing of the cards or the delivery of the groups of cards for the game of Pai Gow Poker, the Franchise Licensee may, at its discretion, use the procedure authorized by paragraph (b) or (c) of this section.

(b) The croupier shall shake the shaker and dice described in section 3.23.2 of these Regulations at least three times so as to cause a random mix of the dice.

(1) The croupier shall then remove the lid covering the Pai Gow Poker shaker, add the total points on the dice and announce the total.

(2) To determine the starting position, the croupier shall count from right to left around the table, considering the

croupier's position as position number one, and continuing around the table counting each betting position in order, including the croupier, regardless of whether or not there is a wager at the position, until the count is equal to the total of the three dice.

(3) Examples are as follows:

(i) If the dice total 8, the croupier would receive the first card or group of cards; or

(ii) If the dice total 14, the sixth betting position would receive the first card or group of cards.

(4) After the dealing or delivery of the cards has been completed in accordance with the procedures set forth in section 3.23.6, 3.23.7 or 3.23.8 of these Regulations, the croupier shall place the lid on the Pai Gow Poker shaker and shake the shaker once. The Pai Gow Poker shaker shall then be placed to the right of the croupier.

(c) The croupier may use a computerized random number generator approved by the Company to select and display a number from 1 through 7, inclusive, and shall verbally announce the number. To determine the starting position, the croupier shall count from right to left around the table, considering the position of the croupier as position number one, and continuing around the table counting each betting position in order, including the croupier, regardless of whether or not there is a wager at the position, until the count matches the number displayed by the random number generator.

(d) After the starting position for a round of play has been determined, a Franchise Licensee may, at its discretion, mark said position by using an additional cutting card or similar object.

Section 3.23.10 Procedures for Completion of Each Round of Play; Arranging of Hands; Payment and Collection of Wagers; Payout Odds; Vigorish.

(a) After the dealing of the cards has been completed, each player shall arrange his hands by arranging the cards into a high hand and a low hand. When arranging the two hands, the five card high hand must be equal to or higher in rank than the two card low hand. For example, if the two card hand contains a pair of sevens, the five card hand must contain at least a pair of sevens and the three remaining cards.

(b) Each player at the table shall be responsible for arranging his own hands and no other person, except the croupier, shall touch the cards of said player. Each player shall maintain the seven cards in full view of the croupier at all times. Once the player has arranged a high hand and a low hand, and place the two hands face down on the appropriate area of the layout, the player shall not touch the cards again.

(c) After all the players have arranged their hands and placed their cards on the table, the seven cards of the croupier shall be turned over and the croupier shall arrange his hands by arranging the cards in a high hand and a low hand. The croupier shall then place the two hands face up on the appropriate area of the layout.

(d) Each Franchise Licensee shall submit to the Company the manner in which it will require the hands of the croupier to be arranged.

(e) A player may announce that he wishes to surrender his wager before the croupier exposes either of the two hands of that player pursuant to paragraph (f) of this section. Once the player has announced his intention of surrendering, the croupier shall:

(1) Immediately collect the wager from that player; and

(2) Collect the seven cards dealt to that player without exposing the cards to anyone at the table. The croupier shall verify that the seven cards were collected by counting them face down on the layout before placing them in the discard rack.

(f) Once the croupier has arranged a high hand and a low hand, the croupier shall expose both hands of each player, starting with the player on his right and continuing from right to left around the table. The croupier shall compare the high and the low hand of each player to the high and the low hand of the croupier, and shall announce if the wager of the player shall win, lose or be considered a tie ("push").

(g) All losing wagers shall be collected immediately by the croupier and put in the table inventory container. All the losing hands shall also be collected. A wager made by a player shall lose if:

(1) The high hand of the player is lower in rank than the high hand of the croupier and the low hand of the player is lower in rank than the low hand of the croupier;

(2) The high hand of the player is identical in rank to the high hand of the croupier, or the low hand of the player is identical in rank to the low hand of the croupier (a "copy hand"), and the other hand of the player is identical in rank or lower in rank than the other hand of the croupier.

(3) The high hand of the player was not arranged so as to rank being equal to or higher than the low hand of said player; or

(4) The two hands of the player were not arranged correctly in accordance with the rules of game (for example, a player forms a three card low hand and a four card high hand).

(h) If the wager is a push, the croupier shall not collect or pay the wager, but shall immediately collect the cards of said player. A wager made by a player shall be a push if:

(1) The high hand of the player is higher in rank than the high hand of the croupier, but the low hand of the player is identical in rank to the low hand of the croupier (copy hand) or lower in rank than the low hand of the croupier; or

(2) The high hand of the player is identical in rank to the high hand of the croupier (copy hand) or lower in rank than the high hand of the croupier, but the low hand of the player is higher in rank than the low hand of the croupier.

(i) All winning hands shall remain face up on the layout. The winning wagers shall be paid after all hands have been exposed. The croupier shall pay the winning wagers beginning with the player farthest to the right of the croupier and continuing from right to left around the table. A wager made by a player shall win if the high hand of the player is higher in rank than the high hand of the croupier and the low hand of the player is higher in rank than the low hand of the croupier.

(j) A winning Pai Gow Poker wager shall be paid off by the Franchise Licensee at payout odds of 1 to 1, except that the Franchise Licensee shall extract a commission, known in English as vigorish, from the wining player in an amount equal to five percent of the amount won; provided, however, that when collecting the vigorish, the Franchise Licensee may round off the vigorish to 25 cents, or the next highest multiple of 25 cents. The Franchise Licensee shall collect the vigorish from the player at the time the winning payout is made. After a winning wager has been paid and the vigorish collected, the croupier shall then collect the cards from each player.

(k) All the cards collected by the croupier shall be picked up in order and placed in the discard rack in such a way that each hand may be readily reconstructed in case of doubt or dispute.

Section 3.23.11 Player as Bank; Co-bank; Selection of Bank; Procedures for Dealing the Cards.

(a) The Franchise Licensee may, at its discretion, offer to all of the players at a Pai Gow Poker table the opportunity to bank the game. If the Franchise Licensee elects this option, all of the other provisions related to the game of Pai Gow Poker shall apply except for those which conflict with the provisions of this section, in which case the provisions of this section shall govern any round of play in which the player is the bank.

(b) A player shall not be the bank at the start of the game. For purposes of this section, the start of the game shall mean the first round of play after the croupier is required to shuffle the cards in accordance with the procedures set forth in paragraph (c) of section 3.23.3 of these Regulations.

(c) After the first round of play pursuant to paragraph (b) of this section, each player at the table shall have the option to either be the bank or pass the bank to the next player. The croupier shall, starting with the player farthest to his right and moving from right to left around the table, offer the bank to each player until a player accepts the bank. The croupier shall place a marker designating the bank in front of the player who accepts the bank. If the first player to whom the bank is offered accepts, the player seated to the right of that player shall be offered the bank first on the next round of play. The initial offer to be the bank shall be made by moving from right to left around the table until it returns to the croupier. In no event may any player be the bank in two consecutive rounds of play. If no player wishes to be the bank, the round of play shall proceed in accordance with the rules of play provided in the other sections related to the game of Pai Gow Poker.

(d) Before permitting a player to be the bank in a round of play, the croupier shall determine that:

(1) The player placed a wager against the croupier during the last round of play in which there was no player banking the game; and

(2) The player has sufficient gaming chips on the table to cover all of the wagers made by the other players at the table for that round of play.

(e) A Franchise Licensee may, at its discretion, offer the bank the option of having the casino cover 50% of the wagers made during a round of play. If the Franchise Licensee offers this option, the same shall be available to all the players at the table. If the bank wishes to use this option, the bank must specifically request the croupier to accept responsibility for the payment of one-half of all winning wagers. When the bank covers 50% and the casino covers 50% of the winning wagers, the process shall be known as "co-banking," and the croupier shall place a marker designating the bank in front of said player. When the croupier is the co-bank, the croupier shall be responsible for arranging the hand of the bank in the manner submitted to the Company pursuant to section 3.23.10 of these Regulations. When co-banking is in effect, the croupier shall not place a wager against the bank.

(f) If a player is the bank, the player shall only wager on one betting area.

(g) Once the croupier has determined that a player may be the bank pursuant to paragraph (d) of this section and after the cards have been shuffled, the croupier shall remove gaming chips from the table inventory container in an amount equal to the last wager made by said player against the croupier or in an amount, the calculation of which has been approved by the Company. This amount shall be the amount the croupier wagers against the bank. The bank may direct that the sum wagered by the croupier be a lesser amount or that the croupier places no wager during that

round of play. Any amount wagered by the croupier shall be placed in front of the table inventory container.

(h) If the cards are to be dealt from a manual dealing shoe, the procedures set forth in sections 3.23.5 and 3.23.9 shall apply, except that:

(1) If a Pai Gow Poker shaker and dice are being used to determine the starting position for the dealing of the cards, the bank instead of the croupier shall shake the Pai Gow Poker shaker three times pursuant to the provisions of paragraph (b) of section 3.23.9 of these Regulations. It shall be the responsibility of the croupier to ensure that the bank shakes the Pai Gow Poker shaker at least three times so as to cause a random mix of the dice. Once the bank has completed shaking the Pai Gow Poker shaker, the croupier shall remove the lid covering said shaker, add the points on the dice and announce the total. The croupier shall always remove the lid from the Pai Gow Poker shaker, and if the bank, inadvertently, removes said lid, the croupier shall require that the Pai Gow Poker shaker be covered again and the dice be re-shaken.

(2) If a computerized random number generator is used to determine the starting position for the dealing of the cards, the device shall be operated in accordance with the procedures approved by the Company.

(3) When counting the betting positions, including the croupier, to determine the starting position for dealing the cards, the position of the bank, instead of the croupier, shall be considered the number one position.

(i) If the cards are to be dealt from the hand, the procedures set forth in sections 3.23.7 and 3.23.9 shall apply, except that:

(1) Once the croupier has completed dealing the seven groups and placed the four remaining cards in the discard rack pursuant to the provisions of section 3.23.7 of these

Regulations, the bank shall select the first group to be delivered by the croupier. This croupier shall designate said group as the first group moving it toward the players.

(2) If a Pai Gow Poker shaker and dice are being used to determine the starting position for the delivery of the first group, the bank shall shake the Pai Gow Poker shaker three times pursuant to the provisions of section 3.23.9 of these Regulations. It shall be the responsibility of the croupier to ensure that the bank shakes the Pai Gow Poker shaker at least three times so as to cause a random mix of the dice. Once the bank has finished shaking the Pai Gow Poker shaker, the croupier shall remove the lid covering the same, add the points on the dice and announce the total. The croupier shall always remove the lid from the Pai Gow Poker shaker and if the bank, inadvertently, removes said lid, the croupier shall require that the Pai Gow Poker shaker be covered again and the dice be re-shaken.

(3) If a computerized random number generator is used to determine the starting position for the delivery of the first group, the device shall be operated in accordance with the procedures approved by the Company.

(4) When counting the betting positions, including the croupier, to determine the starting position for delivering the seven groups of cards, the position of the bank, instead of the croupier, shall be considered the number one position.

(5) The croupier shall deliver the first group, as determined in subparagraph 1 of paragraph (i) of this section, to the starting position as determined in accordance with section 3.23.9 of these Regulations and subparagraphs 2 and 4 of paragraph (i) of this section. Thereafter, the croupier shall deliver the remaining groups moving from right to left beginning with the group closest to the right of the first group and proceeding until all groups to the right of the first group have

been dealt, and then moving to the group farthest to the left of the croupier shall proceed from left to right. If there are no groups to the right of the first group, the croupier shall begin with the group farthest to the left and proceed to the right. The croupier shall deliver each group face down to each position, including the croupier, regardless of whether or not there are wagers at said position.

(j) If the cards are to be dealt from an automated dealing shoe, the procedures set forth in sections 3.23.8 and 3.23.9 shall apply, except that:

(1) If a Pai Gow Poker shaker and dice are being used to determine the starting position for the delivery of the first group of cards dispensed by an automated dealing shoe, the bank, instead of the croupier, shall shake the Pai Gow Poker shaker three times pursuant to the provisions of section 3.23.9 of these Regulations. It shall be the responsibility of the croupier to ensure that the bank shakes the Pai Gow Poker shaker at least three times so as to cause a random mix of the dice. Once the bank has finished shaking the Pai Gow Poker shaker, the croupier shall remove the lid that covers said shaker, add the points on the dice and announce the total. The croupier shall always remove the lid from the Pai Gow Poker shaker and if the bank, inadvertently, removes the lid, the croupier shall require that the Pai Gow Poker shaker be covered again and the dice be re-shaken.

(2) If a computerized random number generator is used to determine the starting position, the device shall be operated in accordance with the procedures approved by the Company.

(3) When counting the betting positions, including the croupier, to determine the starting position for delivering the groups of cards as they are dispensed from the shoe, the position of the bank, instead of the croupier, shall be considered the number one position.

(k) If the cards dealt to the croupier have not been previously collected, after each player has arranged his two hands and has placed them on the appropriate area of the layout, the croupier shall then arrange his two hands. Once the croupier has formed a high hand and a low hand, the croupier shall expose the hands of the bank and determine if the hands of the croupier are higher in rank than the hands of the bank. If the croupier wins, the cards of the croupier shall be stacked face up to the right of the table inventory container with the amount wagered by the croupier against the bank placed on top. If the croupier pushes, the croupier shall return the amount wagered by the croupier against the bank to the table inventory container. If the croupier loses, the amount wagered by the croupier against the bank shall be moved to the center of the layout.

(l) If banking is in effect, once the croupier has determined the outcome of the wager of the croupier against the bank, if any, the croupier shall expose the hands of each player starting with the player farthest to the right of the croupier and proceeding from right to left around the table. The croupier shall compare the high hand and the low hand of each player to the high hand and low hand of the bank and shall announce if the wager shall win, lose or be considered a push against the bank. All losing wagers shall be immediately collected and placed in the center of the table. After all hands have been exposed, all winning wagers, including the wager of the croupier, shall be paid by the croupier with the gaming chips located in the center of the table. If said amount is exhausted before all winning wagers have been paid, the croupier shall collect from the bank an amount equal to the remaining winning wagers and place said amount in the center of the layout. The remaining winning wagers shall be paid from the amount in the center of the layout. If after collecting all losing wagers and paying all winning wagers there is a surplus in the center of the table, a five percent

vigorish shall be charged in accordance with the provisions of section 3.23.10 of these Regulations. Once the vigorish has been paid, the remaining amount shall be given to the bank.

(m) If co-banking is in effect, once the croupier has arranged the co-bank hand pursuant to the provisions of paragraph (e) of this section, the croupier shall expose the hands of each player starting with the player farthest to the right of the croupier and proceeding from right to left around the table. The croupier shall compare the high hand and the low hand of each player to the high hand and the low hand of the bank and shall announce if the wager shall win, lose or be considered a push against the bank. All losing wagers shall be collected immediately and placed in the center of the table. After all hands have been exposed, the croupier shall pay all the winning wagers with the gaming chips located in the center of the table. If said amount is exhausted before all winning wagers have been paid, the croupier shall collect from the bank an amount equal to one-half of the remaining winning wagers and place said amount in the center of the layout. The croupier shall remove an amount equal to one-half of the remaining winning wagers from the table inventory container and place said amount in the center of the layout. If after collecting all losing wagers and paying all winning wagers there is a surplus in the center of the table, this amount shall be counted and the croupier shall place half of this amount into the table inventory container. The croupier shall collect a five percent vigorish, in accordance with the provisions of section 3.23.10 of these Regulations, on the remaining amount and place the vigorish amount in the table inventory container. The remaining amount shall be given to the co-bank.

(n) Immediately after the winning wager of the croupier has been paid, said amount and the original wager shall be returned to the table inventory container.

(o) Each player who has a winning wager against the bank shall pay to the croupier a five percent vigorish on the amount won, in accordance with the provisions of section 3.23.10 of these Regulations.

Section 3.23.12 Irregularities; Invalid Roll of the Dice.

(a) If the croupier uncovers the Pai Gow Poker shaker and the three dice do not land flat on the bottom of the shaker, the croupier shall announce a "No roll" and re-shake the dice.

(b) If the croupier uncovers the Pai Gow Poker shaker and a die or dice fall out of the shaker, the croupier shall announce "No roll" and re-shake the dice.

(c) If the croupier totals the points on the dice incorrectly and deals the first card or delivers the first group to the wrong position, all hands shall be called dead and the croupier shall reshuffle the cards.

(d) If the croupier exposes any of the cards dealt to a player, the player has the option of voiding the hand. Without looking at the unexposed cards, the player shall decide whether he will play or void his hand.

(e) If one or more cards in the hand of the croupier or the bank are exposed, all hands shall be void and the cards shall be reshuffled.

(f) If a card is found face up in the dealing shoe, said card shall not be used in the game and shall be placed in the discard rack. If more than one card are found face up in the shoe, all hands shall be void and the cards shall be reshuffled.

(g) A card drawn in error without its face being exposed shall be used as though it is the next card from the shoe.

(h) If any player is dealt an incorrect number of cards, all hands shall be void and the cards reshuffled.

(i) If the croupier does not arrange his hands in the manner submitted to the Company in accordance with the provisions of section 3.23.10 of these Regulations, the hands shall be

rearranged in accordance with said submission and the round of play completed.

(j) If the bank does not arrange his own hands correctly, the wager shall not be lost pursuant to the provisions of section 3.23.10 of these Regulations, and the bank shall be required to rearrange its hands in the manner submitted to the Company pursuant to section 3.23.10 of these Regulations so that the round of play may be completed.

(k) If while dealing the seven groups of cards in accordance with the provisions of section 3.23.7 of these Regulations, the croupier exposes a card, the cards shall be reshuffled.

(l) If the cards are being dealt from the hand and the croupier fails to deal the seven groups in accordance with the provisions of paragraph (c) of section 3.23.7 of these Regulations, the cards shall be reshuffled.

(m) If an automated card shuffling device is being used and the device jams, stops shuffling during a shuffle, or fails to complete a shuffle cycle, the cards shall be reshuffled in accordance with the procedures approved by the Company.

(n) If an automated dealing shoe is being used and the device jams, stops dealing cards, or fails to deal all cards during a round of play, the round of play shall be void and the cards shall be removed from the device and reshuffled with any cards already dealt, in accordance with procedures approved by the Company.

(o) Any automated card shuffling device or automated dealing shoe shall be removed from the table before any other method of shuffling or dealing the cards is utilized at that table.

Section 3.23.13 A Player Wagering on More than One Betting Area.

(a) Except as provided in paragraph (f) of section 3.23.11 of these Regulations, a Franchise Licensee may, at its

discretion, permit a player to wager on no more than two betting areas at a Pai Gow Poker table, which areas must be adjacent to each other.

(b) If the Franchise Licensee permits a player to wager on two adjacent betting areas, the cards dealt to each betting area shall be played separately. If the two wagers are not equal, the player shall rank and arrange the hand with the larger wager before ranking and arranging the other hand. If the amounts wagered are equal, each hand shall be played separately, from right to left, with the first hand being ranked and arranged before the player proceeds to rank and arrange the second hand. Once a hand has been ranked and arranged and placed face down on the appropriate area of the layout, the hand shall not be changed.

Section 3.23.14 Permissible Additional Wager.

(a) If a Franchise Licensee, pursuant to the provisions of section 3.23.9 of these Regulations, uses a random number generator to determine the starting position for dealing the cards or delivering the groups of cards, the Franchise Licensee may, at its discretion, offer to each player at the Pai Gow Poker table the option of making an additional wager as to which one of the numbers 1 through 7 will be selected and displayed by the random number generator at the beginning at the beginning of a round of play.

(b) Any Franchise Licensee offering the additional wager authorized in this section shall observe the following procedures:

(1) Before activating the random number generator at the beginning of a round of play, any player who has made a wager in a game of Pai Gow Poker pursuant to the provisions of section 3.23.5 of these Regulations may, at such time, make the additional wager authorized in this section. The player may make

an additional wager on more than one number during each round of play.

(2) The player shall make his additional bet by placing the gaming chips on the number selected by the player in the area designated for additional wagers on the layout of the Pai Gow Poker table. No verbal or cash additional wagers shall be permitted.

(3) An additional wager shall win if the number selected by the player pursuant to subparagraph 2 of paragraph (b) of this section is the same number selected and displayed by the random number generator as the starting position for said round of play of Pai Gow Poker. All other additional wagers shall lose.

(4) After the croupier announces "No more bets," and the random number generator selects and displays the number of the starting position for that round of play, the croupier shall immediately collect any losing additional wagers.

(5) Any winning additional wagers shall be immediately paid after collecting any losing additional wagers, and prior to dealing any cards to the players at the table.

(6) A Franchise Licensee shall pay off winning additional wagers at odds of no less than 5½ to 1 and no more than 6 to 1, and in accordance with the payout odds imprinted on the Pai Gow Poker table layout; provided, however, that payouts for any additional winning wagers shall be rounded to the nearest whole dollar.

(7) In the permitted additional wager minimum limits of one dollar ($1.00) shall be permitted at all tables. The maximum limit for the bet shall be determined by the maximum authorized at the operated table, so that the payment of said wager does not exceed the corresponding maximum.

(c) Any additional wager made pursuant to this section shall have no bearing upon any other wager made by the player at the game of Pai Gow Poker.

Section 3.23.15 Limits.

At the request of a Franchise Licensee, the Company shall authorize Pai Gow Poker tables with gaming limits of one dollar ($1.00) minimum to ten thousand dollars ($10,000) maximum per play.

When establishing the limits for Pai Gow Poker tables, the Franchise Licensee shall be obligated to maintain a difference of not less than forty (40) times between the minimum and the maximum of said play. For example, a Pai Gow Poker table with a minimum gaming limit of one hundred dollars ($100.00) shall have a maximum gaming limit of at least four thousand dollars ($4,000.00).

The authorized limits shall be stated at a prominent location on each table.

The minimum and maximum limits established by the Franchise Licensee for each table at the beginning of each shift of operation may be changed during the course of the corresponding shift, provided that the Franchise Licensee or its authorized representative informs the Inspector and the public at the gaming table at least fifteen (15) minutes in advance, that the minimum and/or maximum limit shall be increased to an amount that shall not exceed the authorized limits. In the same manner, the Franchise Licensee may decrease the limits once increased, provided that there are no players nor play at that gaming table.

The Franchise Licensee shall comply with the cash reserves and/or bonded checking account requirements to satisfy the payment of gaming debts at the new increased limit.

SUBCHAPTER - PAI GOW TILES

Section 3.24 Reserved.

SUBCHAPTER - CARIBBEAN EASY ROLL

Section 3.25 Reserved

SUBCHAPTER – THREE CARD POKER

Section 3.26 Definitions

The following words and terms, when used in the sections relative to Three Card Poker, shall have the following meanings unless otherwise clearly indicated:

"Ante Wager" means the initial wager placed before the cards are dealt in order to participate in the round of play.

"Bet Wager" means an additional wager placed by a player, in an amount double the player's "Ante" wager, after all cards for the round of play have been dealt but before the croupier's hole cards are exposed.

"Pair Plus Wager" means an optional wager placed by the player, in an amount matching the player’s “Ante” wager, before the cards are dealt to be able to participate against the payout table printed on the layout, regardless of the results of the plays between the croupier and the player.

"Hand" means the three card hand dealt to each player and the croupier.

"Round of play" means one complete cycle during which all wagers have been made, all cards have been dealt, and the wagers remaining have been paid off and/or collected.

"Stub" means the portion of the deck of cards remaining after all cards in a round of play have been dealt.

"Suit" means one of the four categories of cards: club, diamond, heart or spade.

Section 3.26.1 Number of Players.

(a) In the game of “Three Card Poker,” no more than seven players will be permitted per table.

(b) Wagers – Three Card Poker

(1) All wagers in Three Card Poker shall be made by placing chips in the corresponding spaces that appear on the table layout. No verbal or cash wagers will be accepted.

(2) Only players who are seated at the Three Card Poker table may wager on the game. Once the player has placed his bet and received cards, that player shall remain seated until the round of play has concluded.

(3) Only the player betting on the "Ante" wager shall be entitled to bet on the "Pair Plus" wager.

(4) All "Ante" wagers and "Pair Plus" wagers shall be placed before the croupier announces "No more bets." After that announcement, no further wagers may be made, increased or withdrawn.

(5) Only one hand per player. Each player who makes a wager shall be responsible for his hand and no other person except for the croupier may touch said player's cards. Each player shall keep his cards visible to the croupier at all times. After each player has examined his cards and made his "Play" bet, the player may not touch the cards again.

(6) No player may exchange or communicate information with respect to his hand before the croupier shows his cards. Any violation may result in the confiscation of all wagers made in that round by the players who have communicated among each other.

Section 3.26.2 Rankings.

(a) The rank of the cards used in Three Card Poker, for determining winning hands, in order of highest to lowest rank, shall be: ace, king, queen, jack, ten, nine, eight, seven, six, five, four, three and two. All card suits shall be considered of the same rank.

(b) The permissible poker hands at the game of Three Card Poker, in order of highest to lowest rank, shall be:

(1) "Straight Flush" – consists of three suited cards with consecutive ranking, with the Ace, King, and Queen being the highest ranking Straight Flush and the combination of the ace, two, and three being the lowest;

(2) "Three-of-a-Kind" – consists of three suited cards of the same rank, with three aces being the highest ranking and three twos the lowest ranking;

(3) "Straight" – consists in a hand of three cards of consecutive rank, regardless of their suit, with an ace, king, and queen being the highest ranking straight and an ace, two, and three being the lowest ranking straight.

(4) "Flush" – is a hand consisting of three cards of the same suit.

(5) "Pair" – three card hand containing two cards of the same rank, with two aces being the highest ranking pair and two twos the lowest ranking one.

(c) When comparing two poker hands of identical rank pursuant to the provisions of this section, or which contain none of the hands authorized in this section, the hand which contains the highest ranking cards provided in paragraph (a) of this section which is not contained in the other hand shall be considered the higher ranking hand. If the hands are of identical rank after application of this provision, the hands shall be considered a push.

Section 3.26.3 Shuffling and Cutting of Cards.

(a) For the game of Three Card Poker, a deck of fifty-two (52) cards, of the type known as "American" cards, shall be used.

(b) If a Franchise Licensee wishes to use an automatic shuffling machine he must comply with the following requirements:

(1) He shall use two decks of cards whose reverse sides shall be of different colors.

(2) One deck must be shuffled while the other is used to carry out the play.

(3) Both decks must be alternated continuously.

(4) The cards in a single deck shall be placed on the discard area at any given time.

(c) At the Franchise Licensee's discretion, the card shall be dealt using a manual card dealing device or directly from the croupier's hand, in which case he must comply with the following requisite *[sic]*

Section 3.26.4 Procedures for Completing Each Round of Play.

(a) After having completed the shuffling procedure, the croupier shall deal a first card, face down, to all the players around the table commencing with the player to his extreme left. The croupier then shall deal one card face up to the space designated for the croupier's hand. This procedures shall be repeated until all the players and the croupier have received three cards face down.

(b) Notwithstanding provision (a), a Franchise Licensee may, at its discretion, choose to deal the cards from an automatic dealing shoe that dispenses the cards in groups of three.

(c) After completing the card dealing procedure, the player shall examine his hand having the option to make a wager on the Play or render his "Ante" wager. The croupier shall offer this option to each player commencing with the first one to his left and moving clockwise around the table. Once each player has placed a wager on the table in the Play area or rendered his "Ante" wager, the croupier will collect all the wagers rendered and will collect the cards associated with the same in the wagers where the "Pair Plus" has not been played, depositing them in the discard pile.

(d) Then the croupier shall proceed to reveal his cards, placing them in such a way that he achieves the highest rank and hierarchy possible. The active hands shall be settled by the croupier from his right to his left (counterclockwise). Each

winning wager shall be paid in accordance with the corresponding payout odds.

(e) After the hands have been settled, the payer shall pick up all the cards and place them in the discard pile together with the others.

Section 3.26.5 Payout Odds.

The payout odds shall be as follows:

(a) A player shall collect (1 to 1) in the "Ante" and in the "Play" if the player's hand is of a higher rank than the croupier's. However, if the croupier did not have in his hand a queen or the highest rank, the player's "Ante" wager will be paid automatically (1 to 1) and the "Play" wager will be given to the player.

(b) A player wagering on the "Pair Plus" shall be paid according to the following payout table:

HAND	ANTE BONUS	PAIR PLUS
Straight Flush	5 to 1	40 to 1
Three of a Kind	4 to 1	30 to 1
Straight	1 to 1	6 to 1
Flush		3 to 1
Pair		1 to 1

Section 3.26.6 Irregularities.

(a) A card is found face up in the "Show" or in the deck while the game is being served shall not be used and shall be placed in the discard pile. If more than one card is found face up in the "Shoe" or in the deck while the game is being dealt, all hands will be cancelled and the cards reshuffled.

(b) A card that has been removed by error and has not been exposed shall be used as if it was the next one removed from the Shoe or the deck.

(c) If any player and/or the payor is served an incorrect number of cards, the hands shall be cancelled and the cards shall be reshuffled.

(d) If one or more cards of the payor are inadvertently exposed before he is supposed to reveal his hand, they shall be cancelled and the cards reshuffled.

(e) If an automated card shuffling device jams, stops shuffling during a shuffle, or fails to complete a shuffle cycle, the cards shall be reshuffled in accordance with the established procedures.

(f) If an automated dealing shoe is being used and the dealing device jams, stops dealing cards, or fails to deal all cards during a round of play, the round of play shall be void and the cards shall be removed from the device and reshuffled with any cards already dealt.

Section 3.26.7 Limits.

(a) At the request of the Franchise Licensee, the Company shall authorize Three Card Poker tables with gaming limits of two dollars ($2.00) minimum to two thousand five hundred dollars ($2,500.00) maximum per play.

(b) When establishing the limits for Three Card Poker tables, the Franchise Licensee shall be obligated to maintain a difference of not less than twenty (20) times between the minimum and the maximum per play. The authorized limits must appear indicated in a visible place on each table.

(c) The minimum and maximum limits established by the Franchise Licensee for each table at the beginning of each shift of operation may be changed during the course of the corresponding shift, provided that the Franchise Licensee or its authorized representative informs the Inspector and the public at the gaming table at least fifteen (15) minutes in advance, that the minimum and/or maximum limit shall be increased to an amount that shall not exceed authorized limits. In the same manner, the Franchise Licensee may decrease the limits once increased, provided that there are no players nor play at that gaming table.

SUBCHAPTER – TRIPLE SHOT

Section 3.27 Number of Players.

No more than six players will be permitted in the game of Triple Shot.

Section 3.27.1 Wagers.

(a) All wagers in Triple Shot shall be made by placing chips in the corresponding wager spaces that appear in the table layout. No verbal or cash wagers will be accepted.

(b) Only players who are seated at the Triple Shot table may wager on the game. Once the player has placed his bet and received cards, that player shall remain seated until the round of play has concluded.

(c) All wagers shall be placed before the croupier announces "No more bets." After that announcement, no further wagers may be made, increased or withdrawn.

(d) At the beginning of each round of play, each player shall be required to place three equal but separate wagers. The first wager shall be for the highest card, the second shall be for the game of Black Jack, and the third one shall be for Poker.

(e) Each player who makes a wager shall be responsible for his hand and no other person except for the croupier may touch said player's cards. Each player shall keep his cards visible to the croupier at all times. After each player has examined his cards and placed them behind his wager, the player may not touch the cards again.

(f) No player may exchange or communicate information with respect to his hand before the croupier shows his cards. Any violation may result in the confiscation of all wagers made in that round by the players who have communicated among each other.

Section 3.27.2 Shuffling and Cutting of Cards.

(a) For the game of Triple Shot, a deck of fifty-two (52) cards, of the type known as "American" cards, shall be used.

(b) If a Franchise Licensee wishes to use an automatic shuffling machine he must comply with the following requirements:

(1) He shall use two decks of cards whose reverse sides shall be of different colors.

(2) One deck must be shuffled while the other is used to carry out the play.

(3) Both decks must be alternated continuously.

(4) The cards in a single deck shall be placed on the discard area at any given time.

(c) At the Franchise Licensee's discretion, the card shall be dealt using a manual card dealing device or directly from the croupier's hand, in which case he must comply with the following requisite:

(1) Once the croupier chooses the hand in which he will hold the cards, the croupier shall use said hand at all times to hold the cards during that round of play.

(2) The cards held by the croupier must be kept at all times in front of the croupier and on the table inventory container.

(d) The card shuffling and cutting procedure shall be pursuant to section 3.21.3 of the Games of Chance Regulations.

Section 3.27.3 Procedures for Completing Each Round of Play.

(a) After having completed the shuffling procedure, the croupier shall deal a round of one face up card to each player in a clockwise direction, commencing with the first player on his extreme left.

(b) Once each player has received his card, the croupier shall determine whether he or the player has the highest card. He will pay or collect the first wager from right to left. In the vent of a tie, the player shall lose half of his first wager.

(c) After the "Combat" game has concluded, the croupier will deal an additional round of cards from left to right to begin the game of Black Jack. After each player has received his

second face up card, the croupier will receive his second face down card.

(d) The croupier shall proceed to offer cards to the players, by turns, beginning on his left. All players shall have the option of doubling their wager in any two cards, and shall have the option of opening his hand if he has two (2) Aces, where he will be served only one additional card for each hand.

(e) If the player is able to receive six (6) cards without going over 21, he will not receive any more cards and he will automatically win.

(f) Following the procedures established for the game of Black Jack, the croupier shall proceed to pay out or collect the second wager from right to left.

(g) After the game of Black Jack has concluded, the croupier shall deal face down from left to right the cards needed for each player to complete a six card hand.

(h) Each player shall determine which are his best five (5) cards, discarding the additional card he has to complete his Poker hand. The player shall place his five (5) cards behind his third wager.

(i) The croupier shall collect the discard cards and proceed to verify the hands. Each hand with a pair of Aces or higher shall be a winning hand.

(j) All winning hands shall be paid at the payout odds established on the table and authorized by the Gaming Division.

(k) The croupier shall proceed to pay or collect the third wager from right to left. The cards speak for themselves.

Section 3.27.4 Payout Odds.

(a) The payout odds for the winning wagers in Triple Shot that are printed in any layout or in any brochure or publication distributed by the Franchise Licensee must be indicated through the use of the word “at” or “win” and no odds may be indicated through the use of the word “for.”

(b) A Franchise Licensee shall pay the first wager (War) at odds of 1 to 1 (match). The second wager (Black Jack) shall be paid as stipulated in section 3.16 of the Games of Chance Regulations. The third wager (Poker) shall be paid at the odds indicated as follows:

Wager	**Payout**
Royal Straight Flush	100 to 1
Straight Flush	30 to 1
Four-of-a-Kind	15 to 1
Full House	7 to 1
Flush	5 to 1
Straight	4 to 1
Three-of-a-Kind	3 to 1
Two Pairs	2 to 1
Pair of Queens or better	1 to 1

Section 3.27.5 Irregularities.

An error in dealing the cards in the game of Poker shall be resolved in the following manner.

(a) If less than six (6) cards were dealt, the cards needed to complete the hand shall be dealt.

(b) If less than six (6) cards are dealt, the player having the cards in his hand shall have the option of choosing which card he is going to discard.

(c) A card that is found face up in the shoe or the deck while the cards are being dealt shall not be used in the game and shall be placed in the discard rack. If more than one card is found face up then all hands shall be void and the cards shall be reshuffled.

Section 3.27.6 Limits.

(a) At the request of a Franchise Licensee, the Company shall authorize Triple Shot tables with gaming limits of two dollars ($42.00) minimum to ten thousand dollars ($10,000) maximum per play.

(b) When establishing the limits for Triple Shot tables, the Franchise Licensee shall be obligated to maintain a difference of not less than twenty (20) times between the minimum and the maximum of said play. The authorized limits must appear indicated in a visible place on each table.

(c) The minimum and maximum limits established by the Franchise Licensee for each table at the beginning of each shift of operation may be changed during the course of the corresponding shift, provided that the Franchise Licensee or its authorized representative informs the Inspector and the public at the gaming table at least fifteen (15) minutes in advance, that the minimum and/or maximum limit shall be increased to an amount that shall not exceed the authorized limits. In the same manner, the Franchise Licensee may decrease the limits once increased, provided that there are no players nor play at that gaming table.

SUBCHAPTER – TEXAS HOLD'EM (HIGH) POKER

Section 3.28 Number of Players.

(a) No more than eleven players shall be permitted in the game of Texas Hold'em Poker.

(b) The assignment of tables shall be based on a waiting list, maintaining an equitable balance of players in the open tables. No player shall be reassigned to another table unless the player voluntarily requests this.

(c) If an active player voluntarily transfers to another table, he must take the same amount of chips from the previous table. If on the contrary, the player is the "victim" of a halt in the game at his table, he will be required to take the minimum required to begin playing at the other table, except for those who at the moment of the halt in play were left with a lesser amount.

(d) Space to play may be reserved for up to 15 minutes for a player who by necessity requests it. Failure to comply with the term shall be sufficient cause to lose his seat.

Section 3.28.1 Wagers.

(a) The minimum buy-in to begin playing shall be equal or greater than ten (10) times the table maximum and under no circumstances may the player save or hide the chips while he is playing at the table.

(b) Spanish and English shall be the only languages permitted at the table. However, while the game is in progress, the players may not exchange information about the hand at play.

(c) All players may be required to place an initial wager ("Ante") before receiving cards. The initial wager ("Ante") shall be 10% of the table maximum.

(d) Before distributing any card, the two players to the immediate left of the Dealer's button shall be required to place a small blind wager that shall be half of the table minimum and the second player shall be required to place a big blind wager that shall be the table minimum.

(e) Once each player has received two cards there will be a round of wagers, which round will begin with the player to the left of the last big blind.

(f) Subsequent rounds of wagers shall resume reverting the option to wager or check to the first most active player.

(g) Raises in bets shall be from the initial or highest amount taking into consideration the table maximum. There shall only be three raises per round of betting (except when there are two players left, where there will be no limits or maximum bets). This exception is conditioned on it being in the last round of betting and both players must be in agreement.

(h) Raises must be in the same sequence, and no string bets will be permitted.

(i) No player shall be permitted to play more than one hand.

(j) Only players who are seated at the poker table may place a bet in the game. Once a player has placed a bet and

received cards, that player shall remain seated until the round of play has concluded.

(k) All bets shall be done in front of the player, and the croupier is the only person who may take the bet from the pot.

(l) The players may have chips and money on the table; they may only bet the money they have on the table ("Table Stakes") even if those bets are only in chips.

(m) A verbal assertion of "fold," "check," "call," "raise," or the announcement of a bet of a specific size, assuming that it is within the parameters of the game that is being played, shall be binding on the player if it is that player's turn to act.

(n) A player shall be considered to have placed a bet if he pushes forward the chips indicating his intention to place a bet or if he drops chips at a sufficient distance from the player and toward the pot so that it is obvious that his intention is to bet them.

Section 3.28.2 Procedures to Complete Each Round of Play.

(a) The order through which the players must bet or have the option of betting shall be determined by a Dealer button that will be used to indicate an imaginary dealer. The button shall be placed initially with the player to the right of the croupier and it shall rotate around the table clockwise with each round of play.

(b) The two players immediately to the left of the Dealer shall be required to initiate the first round of bets. The first player will be required to place a small blind that will be half of the table minimum, and the second player will be required to place a big blind, that would be the table minimum.

(c) Anyone who when obligated to place a blind bet proceeds to get up from the table shall incur in a penalty to be adjudicated upon his return, as follows:

(1) If at the moment of both blind bets the player is not at the table, he will have a penalty equivalent to the small

blind, which will go directly into the pot and a forced big blind bet to return to play.

(2) If at the moment of the small blind he is not at the table and he had played a big blind, he will have a penalty equivalent to the small blind that will go directly into the pot.

(d) The croupier shall deal two rounds of cards face up commencing with the player to the left of the Dealer and continuing with a clockwise rotation, the last to receive a card being the player with the Dealer button.

(e) After making the blind bets, the subsequent players may fold, call, or raise. The option to raise the bet shall also apply to players who made blind bets. After the last player has responded to the most recent bet, the betting round shall be considered completed.

(f) The croupier then will burn the next card from the deck, he shall proceed to deal three community cards and will turn them face up toward the center of the table.

(g) The subsequent round of bets shall resume reverting the option to bet or check to the most active player. Subsequent players may fold, check, raise the bet, place an initial bet, or check if the preceding players have not placed a bet.

(h) Upon completion of the betting round, the croupier shall continue dealing two rounds of community cards face up, each time followed by a round of bets, which rounds of bets shall comments with the table maximum. Before each deal, the croupier shall burn the card at the top of the deck.

(i) If after acting on all of the best more than one player is left, a showdown will determine who will be given the pot.

(j) Each player who remains in the game shall form the best hand of five cards using, in any combination, his own two cards and the five community cards on the table.

(k) If the best five card hand that each of the remaining players can make is from the five community cards, all of the players still active in the hand will share the pot equally.

(l) Hand shall be settled in a rotation from left to right beginning with the player with the most action (the last aggressive player). If any active player wishes to see the cards that were not shown by the players in that round, he will have the right to see them.

(m) When a player presents his cards, both must be face up. The cards speak for themselves if they are shown face up. If this is not done, the hand will be considered yielded by the player.

(n) Each player who places a bet shall be responsible for his hand and no one other than the croupier may touch said player's cards. Each player shall keep his cards visible to the croupier at all times and he may not change the order in which he has received his face up cards. Each player is responsible for protecting his cards.

(o) No player may exchange or communicate information with respect to his hand. Any card shown to a player must be shown to all the players.

Section 3.28.3 Irregularities.

(a) An error in shuffling and cutting the cards shall be cause for all the cards to be returned to the croupier to be reshuffled.

(b) If cards are dealt by error to an ineligible player, only those cards dealt to that player shall be discarded and the round of play will continue.

(c) If at any time during the game it is discovered that cards are missing or there are additional cards, the round of play will be deemed dead, all chips in the pot will be returned to the appropriate player, and the deck of cards will be replaced.

(d) A card that is found face up in the deck of cards shall not be used in the game and it will be placed in the discard pile. If more than one card is found face up in the deck of cards, this will be cause for all the cards to be returned to the croupier for reshuffling.

(e) A player who fails to take reasonable measures to protect his hand shall not have any recourse if his hand becomes a dirty hand or if the croupier accidentally picks up the hand.

(f) A player from whom the croupier has picked up a protected hand or who has become dirty with discarded cards, provided the player has been a victim and not a contributors to the error, shall have the right to be reimbursed for all the money he placed in the pot.

(g) If a player's card accidentally flips face up during the dealing process, said card will be burned and the player will receive another card.

(h) If when dealing a card it accidentally falls off the table, the hand will be annulled.

(i) Any error in dealing cards may be fixed as long as the error has been detected before two or more players receive the cards ("substantial action"), if it could not be detected in time, the round will continue its rotation normally, the player receiving his card after the last player.

(j) If at the time a card is burned to later present the first three (3) cards known as the "Flop," this one is not burned, the hand shall be considered "dead" (annulled). If it is not burned at the time the fourth ("Turn") or fifth ("River") cards are turned face up, the hand will continue its normal course.

Section 3.28.4 Limits.

(a) When establishing the limits for Texas Hold'em Poker tables, the Franchise Licensee shall be obligated to maintain a difference of two (2) times between the table's minimum and

maximum. The authorized limits must appear indicated in a visible place on each table.

(b) The minimum and maximum limits established by the Franchise Licensee for each table at the beginning of each shift of operation may be changed during the course of the corresponding shift, provided that the Franchise Licensee or its authorized representative informs the Inspector and the public at the gaming table at least fifteen (15) minutes in advance, that the minimum and/or maximum limit shall be increased to an amount that shall not exceed authorized limits. In the same manner, the Franchise Licensee may decrease the limits once increased, provided that there are no players nor play at that gaming table.

Section 3.28.5 Percentage of Discount for the House.

The Franchise Licensee who operates a Poker room shall collect a commission of five percent (5%) and ten percent (10%) up to the per pot table maximum.

SUBCHAPTER – SEVEN CARD STUD (HIGH) POKER

Section 3.29 Number of Players.

(a) No more than eight players shall be permitted in the game of Seven Card Stud.

(b) The assignment of tables shall be based on a waiting list, maintaining an equitable balance of players in the open tables. No player shall be reassigned to another table unless the player voluntarily requests this.

(c) If an active player voluntarily transfers to another table, he must take the same amount of chips from the previous table. If on the contrary, the player is the "victim" of a halt in the game at his table, he will be required to take the minimum required to begin playing at the other table, except for those who at the moment of the halt in play were left with a lesser amount.

(d) Space to play may be reserved for up to 15 minutes for a player who by necessity requests it. Failure to comply with the term shall be sufficient cause to lose his seat.

Section 3.29.1 Wagers.

(a) Spanish and English shall be the only languages permitted at the table. However, while the game is in progress, the players may not exchange information about the hand at play.

(b) Under no circumstances may the player save or conceal the chips while he is playing at the table.

(c) All players may be required to place an initial wager ("Ante") before receiving cards. The initial wager ("Ante") shall be 10% of the table maximum.

(d) Once each player has received three cards, the player with the lowest face up card shall be required to place a forced bet. The forced bet shall be one dollar over the 10% of the maximum bet. In the event that two or more cards have the same value, rank will be assigned to the suits, from high to low, as follows: spades, hearts, diamonds, clubs.

(e) After each round of cards there will be a round of betting, which round of betting will start with the player with the highest face up cards.

(f) Raises in bets shall be from the initial or highest amount taking into consideration the table maximum. There shall only be three raises per round of betting (except when there are two players left, where there will be no limits or maximum bets). This exception is conditioned on it being in the last round of betting and both players must be in agreement.

(g) Raises must be in the same sequence, and no string bets will be permitted.

(h) No player shall be permitted to play more than one hand.

(i) Only players who are seated at the poker table may place a bet in the game. Once a player has placed a bet and

received cards, that player shall remain seated until the round of play has concluded.

(j) All bets shall be done in front of the player, and the croupier is the only person who may take the bet from the pot.

(k) The players may have chips and money on the table; they may only bet the money they have on the table ("Table Stakes") even if those bets are only in chips.

(l) A verbal assertion of "fold," "check," "call," "raise," or the announcement of a bet of a specific size, assuming that it is within the parameters of the game that is being played, shall be binding on the player if it is that player's turn to act.

(m) A player shall be considered to have placed a bet if he pushes forward the chips indicating his intention to place a bet or if he drops chips at a sufficient distance from the player and toward the pot so that it is obvious that his intention is to bet them.

Section 3.29.2 Procedures to Complete Each Round of Play.

(a) After having completed the shuffling procedure, the croupier shall deal two rounds of face up cards and one round of face up cards to each of the players in a clockwise direction, commencing with the first player on his extreme left.

(b) Once each player has received three cards, the first round of bets shall commence. A forced bet shall be required of the player with the lowest value face up card and in the event that two cards are of the same value, the rank shall be assigned by suits following section 3.29.1(d).

(c) Following the forced bet, subsequent players may fold, call, or raise. The round of bets shall be considered completed after the last player has responded to the most recent bet.

(d) After completing the first round of bets, the croupier shall burn the upper card in the deck and then deal another round of face up cards to the players remaining in the hand. The following round of bets will commence as follows:

(1) The player who shows the highest hand in his face up cards will be required to bet or check.

(2) If two or more hands have the same rank, the player closes to the croupier's left shall be required to bet or check.

(3) Proceeding clockwise, subsequent players may fold, call, raise, or check if the preceding players have not placed a bet. Once they have placed a bet, the next player in the rotation may fold, call, or raise.

(e) The croupier shall continue dealing two rounds of face up cards and one round of face down cards to each of the remaining players, each time followed by a round of bets. Before each deal, the croupier shall burn the card on the top of the deck.

(f) If any player withdraws after having placed a forced bet or during a round of check, that player's position shall continue receiving a card until there is a subsequent bet on the table.

(g) If there are not enough cards to give to each active player the seventh and final card, the card on top of the deck shall be burned and a common card shall be placed face up in the center of the table that may be used by all the players. If there is a need to resort to a common card, this one shall not be taken into consideration to commence the last round of bets.

(h) If more than one player remains after all bets are placed in the last round, the showdown shall determine who will be awarded the pot.

(i) Each player who remains in the game shall form a hand of five cards of the seven dealt. The winner shall be the player with the highest ranking five card hand.

(j) Hand shall be settled in a rotation from left to right beginning with the player with the most action (the last aggressive player). If any active player wishes to see the cards

that were not shown by the players in that round, he will have the right to see them.

(k) When a player presents his cards, both must be face up. The cards speak for themselves if they are shown face up. If this is not done, the hand will be considered yielded by the player.

(l) Each player who places a bet shall be responsible for his hand and no one other than the croupier may touch said player's cards. Each player shall keep his cards visible to the croupier at all times and he may not change the order in which he has received his face up cards. Each player is responsible for protecting his cards.

(m) No player may exchange or communicate information with respect to his hand. Any card shown to a player must be shown to all the players.

Section 3.29.3 Irregularities.

(a) An error in shuffling and cutting the cards shall be cause for all the cards to be returned to the croupier to be reshuffled.

(b) If cards are dealt by error to an ineligible player, only those cards dealt to that player shall be discarded and the round of play will continue.

(c) If at any time during the game it is discovered that cards are missing or there are additional cards, the round of play will be deemed dead, all chips in the pot will be returned to the appropriate player, and the deck of cards will be replaced.

(d) A card that is found face up in the deck of cards shall not be used in the game and it will be placed in the discard pile. If more than one card is found face up in the deck of cards, this will be cause for all the cards to be returned to the croupier for reshuffling.

(e) A player who fails to take reasonable measures to protect his hand shall not have any recourse if his hand becomes a dirty hand or if the croupier accidentally picks up the hand.

(f) A player from whom the croupier has picked up a protected hand or who has become dirty with discarded cards, provided the player has been a victim and not a contributors to the error, shall have the right to be reimbursed for all the money he placed in the pot.

(g) If a player's first or second face down card accidentally flips face up during the dealing process, the third card will be dealt face down. If a player receives two of the first three cards face up, the player's hand will be deemed dead and the initial bet will be returned to him, if applicable.

(h) If the last card is dealt to the player face up, all players will receive their card face up.

(i) If when dealing a card it accidentally falls off the table, the card will continue in play granting it to the corresponding player.

(j) Any error in dealing cards may be fixed as long as the error has been detected before two or more players receive the cards ("substantial action"), if it could not be detected in time, the round will continue its rotation normally, the player receiving his card after the last player.

Section 3.28.4 *[sic]* Limits.

(a) When establishing the limits for Seven Card Stud Poker tables, the Franchise Licensee shall be obligated to maintain a difference of two (2) times between the table's minimum and maximum. The authorized limits must appear indicated in a visible place on each table.

(b) The minimum and maximum limits established by the Franchise Licensee for each table at the beginning of each shift of operation may be changed during the course of the corresponding shift, provided that the Franchise Licensee or its

authorized representative informs the Inspector and the public at the gaming table at least fifteen (15) minutes in advance, that the minimum and/or maximum limit shall be increased to an amount that shall not exceed authorized limits. In the same manner, the Franchise Licensee may decrease the limits once increased, provided that there are no players nor play at that gaming table.

Section 3.28.5 *[sic]* Percentage of Discount for the House.

The Franchise Licensee who operates a Poker room shall collect a commission of five percent (5%) and ten percent (10%) up to the per pot table maximum.

SUBCHAPTER - SLOT MACHINES

Section 3.30 Slot Machines; Cash Reserves.

(a) The casino Franchise Licensee with slot machines shall provide a daily cash reserve for the operation of the slot machines and in the appropriate denominations of one (1), five (5), twenty-five (25) and fifty (50) cents and chips for one dollar ($1.00), two dollars ($2.00), five dollars ($5.00), ten dollars ($10.00) and twenty-five dollars ($25.00) in order to provide change to the player. The amount of the reserve shall not be less than five thousand dollars ($5,000.00) for casinos that operate fifty (50) machines or less, and fifty dollars ($50.00) for each additional slot machine operated with a denomination of less than one dollar ($1.00). Provided that for each machine with denomination of one dollar ($1.00) or higher, an additional reserve shall be required which is equal to the product of the denomination of the machine times one hundred (100) plus the amount required by section 3.30.1 of these Regulations to be deposited in the automatic payout hopper for each machine. For example, for a slot machine with a denomination of five dollars ($5.00), an additional cash reserve of five hundred dollars $500.00 shall be required.

(b) It shall be the obligation of the Franchise Licensee to provide daily reserves in the appropriate manner, a half hour

before commencement of the slot machine operation, or as may be provided by Company if the casino operates twenty-four (24) hours a day.

(c) The cash reserve required in this section is in addition to the minimum reserve required in section 3.12 of these Regulations.

Section 3.30.1 Depositing Coins in the Slot Machines.

(a) Upon commencement of the operation of the slot machines in a casino, the Franchise Licensee must provide the necessary deposit in the automatic payout hopper of each machine, in the following amounts:

(1) Two thousand five hundred dollars ($2,500.00) in tokens per slot machine with a denomination of twenty-five dollars ($25.00).

(2) Two thousand dollars ($2,000.00) in tokens per slot machine with a denomination of ten dollars ($10.00).

(3) One thousand dollars ($1,000.00) in tokens per slot machine with a denomination of five dollars ($5.00).

(4) Eight hundred dollars ($800.00) in tokens per slot machine with a denomination of two dollars ($2.00).

(5) Five hundred dollars ($500.00) in tokens per slot machine with a denomination of one dollar ($1.00).

(6) Four hundred dollars ($400.00) per slot machine with a denomination of fifty cents ($.50).

(7) Four hundred dollars ($400.00) per slot machine with a denomination of twenty-five cents ($.25).

(8) One hundred dollars ($100.00) per slot machine with a denomination of five cents ($.05).

(9) The proportional amount corresponding to the number of slot machines and their denominations, combined together for the operation of slot machines with progressive systems.

Section 3.30.2 Slot Machines; Revenues.

(a) The gross income generated by the slot machines shall be electronically regulated to produce a maximum of seventeen percent (17%) of the volume of the machines as revenues for the operator, provided that the portion of revenue to the player shall never be less than eighty three percent (83%).

(b) Notwithstanding the provisions of paragraph (a) above, any Franchise Licensee who wishes to operate any slot machine with a proportion of revenue to the player higher than eighty three percent (83%), and for any subsequent increase, shall obtain prior written approval from the Company.

(c) Any request to increase the revenues pursuant to paragraph (b) above shall be in writing and include the following information:

(i) serial number of the manufacturer and the asset number of each slot machine for which an increase in the volume of revenues is desired;

(ii) reason or reasons which prove that the proposed increase in revenues shall result in the higher revenues of the slot machine; and

(iii) any information that justifies that the requested increase of revenues is meritorious.

(d) The Company, at its discretion, shall determine if it does or does not approve the requested increase in revenue. The Company shall notify its decision to the Franchise Licensee and, in the event that the requested increase or a smaller increase is approved, the Company shall coordinate with the Franchise Licensee so that the approved change in revenue is carried out within the specifications approved by the Company.

(e) The Company shall verify at least every six (6) months the revenue for the operator; provided that in the event that a

variation in the allowed percentage arises, the same shall be immediately corrected by the Franchise Licensee.

(f) The Company shall reserve the faculty to revoke or alter at any later time any authorization to alter the revenues if it understands that said alteration has not brought about the expected results. In that event, Franchise Licensee shall be notified and arrangements shall be made for the Specialist or an authorized official of the Company to take the necessary measures to restore the volume of revenues to its original proportion or to any other proportion that the Company may approve.

Section 3.30.3 Slot Machines; Proportion of Slot Machines; Increase in Proportion; Prior Authorization.

(a) Subject to prior approval by the Company, every Franchise Licensee who is not the owner or lessee of the slot machines in its casino may have up to one point five (1.5) slot machines per each authorized player, seated or standing, in the casino in proportion to the number of authorized tables used in other games of chance, in accordance with the provisions of the next paragraph (c) of this section.

(b) The Company may authorize at the request of a Franchise Licensee who is the owner or lessee of the slot machines in its casino up to a maximum of six (6) machines per each authorized player, seated or standing, in a casino in proportion to the number of authorized tables used for other games of chance in accordance with the provisions of the next paragraph (c) of this section.

(c) The basis for the computation of authorized players shall be the annual average of authorized players pursuant to the described formula; provided that currently seven (7) players are permitted in the authorized card game known as "21 or Blackjack", up to eighteen (18) players at a dice table, fourteen (14) players in Baccarat, seven (7) or nine (9) players in Mini-Baccarat, seven (7) players per layout in Roulette, ten (10)

players in Big Six Wheel, seven (7) players in Let it Ride, seven (7) players in Caribbean Stud Poker, seven (7) players in Triple Shot, seven (7) players in Three Card Poker, eleven (11) players in Texas Hold'em, eight (8) players in Seven Card Stud, six (6) players in Pai Gow Poker, six (6) players per layout in Pai Gow Tiles, and up to eighteen (18) players at an Easy Roll table. The proportion established by the Company in accordance with the guidelines established herein shall be reviewed every six (6) months; provided that if the Franchise Licensee, at any later moment after the authorization, does not comply with the proportion imposed by the Company as a requirement for authorization, the Company shall require Franchise Licensee to decrease the number of authorized slot machines based on the average number of tables used until the authorized proportion is reached.

(d) Any Franchise Licensee who wishes to increase the proportion of machines shall request to the Company in writing the increase in the proportion of slot machines. Said request shall include those reasons that prove and justify that if said increase is approved there would be a proportional increase in the funds obtained from the operation of its casino.

SUBCHAPTER – MINIMUM INTERNAL CONTROL STANDARDS

Section 3.31 Tier One and Tier Two Franchise Licensees

(a) Definition of tiers:

(1) A Tier 1 Franchise Licensee shall be defined as a gaming operation having combined annual table game and slot revenues under $15 million.

(2) A Tier 2 Franchise Licensee shall be defined as a gaming operation having combined annual table game and slot revenues of $15 million or more.

(b) Determination of tier.

(1) The determination of tier level shall be made based upon the combined annual table game win and slot machine

participation as indicated within the gaming operation's audited financial statements. Franchise licensees moving from Tier 1 to Tier 2 shall have nine (9) months from the date of the independent certified public accountant's audit report to achieve compliance with the requirements of the new tier.

(2) The Commissioner, in consultation with the Gaming Division, may extend the deadline by an additional six (6) months if written notice is provided to the Commissioner at least 30 days before the expiration of the nine (9) month period.

(3) A Tier 2 Franchise Licensee may move to Tier 1 from Tier 2 provided its projected combined annual table game and slot revenues remain at under $15 million for three consecutive calendar quarters.

(c) Compliance Based on Tier

(1) Tier 1 Franchise Licensees shall comply with the minimum internal control standards set forth in this Section unless specific exceptions or alternative procedures are specified.

(2) Tier 2 Franchise Licensees shall comply with the minimum internal control standards as specified in this Section.

(d) Internal Controls System

(1) Each Franchise Licensee shall develop a written comprehensive system of internal controls that complies with the minimum internal control standards defined in these regulations. The system of internal controls shall be accompanied by a written statement signed by the Franchise Licensee’s chief financial officer and either the Franchise Licensee’s chief executive officer or a licensed owner attesting that the system satisfies the requirements of the minimum internal control standards as provided in these regulations. The written system of internal controls shall contain a table of organization depicting the segregation of responsibilities and functions comprising the Franchise Licensee’s organization.

(2) In addition to meeting the specific minimum control standards, the system of internal controls must be designed to reasonably ensure that:

(i) Assets are safeguarded;

(ii) Financial records are accurate and reliable;

(iii) Transactions are performed only in accordance with management's general or specific authorization;

(iv) Transactions are recorded adequately to permit proper reporting of gaming revenue and gaming fees, and to maintain accountability for assets;

(v) Access to assets is permitted only in accordance with management's specific authorization;

(vi) Recorded accountability for assets is compared with actual assets at reasonable intervals and appropriate action is taken with respect to any discrepancies; and

(vii) Functions, duties, and responsibilities are appropriately segregated and performed in accordance with sound practices by competent, qualified personnel.

(3) Existing Franchise Licensees shall submit their written system of internal controls to the Commissioner and the Gaming Division no later than nine (9) months from the date of the adoption of these regulations. New Franchise Licensees shall submit their written system of internal controls to the Commissioner and the Gaming Division at least ninety (90) days prior to the commencement of gaming room operations. The Gaming Division may extend the nine (9) month and ninety (90) day deadlines upon written request of the licensee no later than 30 days prior to the expiration of the applicable deadline.

(4) The Gaming Division shall review each system of internal controls submitted pursuant to subsection (2) above and shall determine whether it conforms to the requirements of these regulations. If the Gaming Division finds any insufficiencies, they shall report these to the Franchise Licensee in writing and the Franchise Licensee shall make the appropriate changes. When the Gaming Division finds the system of internal controls to be in conformity with the minimum standards, then they shall so notify the Franchise Licensee in writing. No new Franchise Licensee shall commence gaming room operations until its system of internal controls is approved by the Gaming Division, unless otherwise provided in writing by the Gaming Division.

(5) Each Franchise Licensee shall submit to the Commissioner and the Gaming Division any changes to its system of internal controls at least 60 days before the changes are to become effective, unless otherwise directed in writing by the Gaming Division. The Gaming Division shall make a determination as to approval or disapproval of the changes consistent with the standards in subsection 3 above, and shall so notify the Franchise Licensee in writing. No Franchise Licensee shall alter its system of internal controls without approval of the changes, unless otherwise directed in writing by the Gaming Division. However, the Gaming Division shall make a determination concerning a submission for changes in previously submitted control plans no later than 60 days following receipt of the changes, unless the Gaming Division and the Franchise Licensee agree to extend the period for making such a determination. If there is no determination made within 60 days, and there is no agreement to extend the period for making such a determination, then the changes shall be deemed to be approved.

Section 3.31 Franchise Licensee Organizational Structure

(a) Each Franchise Licensee shall maintain an organizational structure that meets the following criteria

designed to preserve the integrity of the casino operation. Provided the criteria of this section are met, each Franchise Licensee shall be permitted to tailor its organizational structure to meet the needs of its own particular management style. The proposed table of organization of each Franchise Licensee shall be approved by the Gaming Division and shall provide for the following criteria:

(1) A system of personnel and chain of command that permits management and supervisory personnel to be held accountable for actions or omissions within their area of responsibility;

(2) The segregation of incompatible functions so that no employee is in a position both to commit an error or perpetrate a fraud and to conceal the error or fraud in the normal course of his or her duties;

(3) Primary and secondary supervisory positions which permit the authorization or supervision of necessary transactions at all relevant times; and

(4) Areas of responsibility that are not so extensive as to be impractical for one person to monitor.

(b) In addition to satisfying the requirements of Section (a) above, each Franchise Licensee's organizational structure shall include, at a minimum, the following departments and supervisory positions. Each of these departments and supervisors shall be required to cooperate with, yet perform independently of all other departments and supervisors. Mandatory departments are as follows:

(1) Casino Accounting Department

(i) Each Franchise Licensee shall have in its accounting department one or more individuals responsible for and dedicated to verifying financial transactions, and reviewing and controlling accounting forms and data. This

function, which is sometimes referred to as "casino income or revenue audit", shall be independent of the transactions under review. Among other things, this function shall include a daily audit of the table games documentation, a daily audit of the casino cage accountability, a daily audit of the coin vault accountability, document control and signature verification.

(ii) The Casino Accounting Department shall be supervised by a casino key employee holding a license endorsed with the position of accounting officer.

(2) Cashiers Cage

(i) Each Franchise Licensee shall maintain a Cashiers Cage supervised by a casino key employee holding a license endorsed with the position of accounting officer. The supervisor of the Cashiers Cage shall report to the supervisor of the Casino Accounting Department and shall be responsible for the control and supervision of cage cashiers, slot cashiers and change persons. The cashiers cage may be separated into independent operations for table games and slot machines.

(ii) The Cashiers Cage shall be responsible for, without limitation, the following:

(aa) The custody of coin, currency, patron checks, gaming chips and plaques, and documents and records normally associated with the operation of a cashiers cage;

(bb) The approval, exchange, and redemption of patron checks received for the purposes of gaming;

(cc) The receipt, distribution, and redemption of gaming chips and plaques, and

(dd) Such other functions normally associated with the operation of a cashiers cage.

(3) Surveillance Department

(i) Each Franchise Licensee shall have a Surveillance Department in operation twenty-four (24) hours a day that will be responsible for the covert monitoring of the following:

(aa) The conduct and operation of the gaming tables and slot machines;

(bb) The conduct and operation of the cashiers cage;

(cc) The collection and counting of the table game and slot drop; and

(dd) The movement of cash, chips and any other casino assets.

(ee) Any foreseen and unforeseen activity that occurs in the casino outside of operating hours.

(ii) The Surveillance Department shall also be responsible for the following:

(aa) Detection of cheating, theft, embezzlement, and other illegal activities in the casino;

(bb) Detection of the presence in the gaming room of any person who is required to be excluded pursuant to Chapter 11; and

(cc) Videotaping of illegal or unusual activities monitored.

(iii) The Surveillance Department shall be independent of all aspects of casino operations and shall be supervised by a casino key employee holding a license endorsed with the position of Director of Surveillance. The Director of Surveillance shall report to the property general manager, or to the Franchise Licensee holder, or to a corporate executive outside the immediate property management team, or to another independent reporting line as approved by the Gaming Division.

(iv) The personnel of the Surveillance Department shall at all times be employees of the Franchise Licensee.

(v) Franchise licensees shall not outsource the Surveillance function to any third party.

(4) Security Department

(i) Each Franchise Licensee shall have a Security Department that is responsible for the overall security of the facility including, without limitation, the following:

(aa) The physical safety of patrons and employees in the casino;

(bb) The physical safeguarding of assets transported to, from, or through the casino;

(cc) The protection of patrons, employees and casino property from illegal activity;

(dd) The detainment of individuals when there is probable cause to believe that they

are in violation of the law or gaming regulations.

(ee) The recordation of any and all unusual occurrences including the date, time, nature of the incident, persons involved in the incident, and the assigned Security Department personnel.

(ff) The identification and removal of any person who is required to be excluded pursuant to Chapter 11.

(ii) The Security Department shall be supervised by a casino key employee holding a license endorsed with the position of Director of Security.

(iii) The personnel of the Security Department shall be prohibited from carrying firearms.

(iv) The personnel of the Security Department who participate in any aspect of the gaming operation shall at all times be employees of the Franchise Licensee. Nothing in this subsection shall prohibit the Franchise Licensee from utilizing outside vendors for hotel security functions.

(5) Table Games Department

(i) Each Franchise Licensee shall have a Table Games Department responsible for the conduct of the table games in accordance with the established rules of the games, as well as the minimum internal control standards. The Table Games Department shall be supervised by a management-level employee who ensures that there is sufficient supervision, knowledge and training within the department to provide

for the proper and fair conduct of the games. The supervisor of the Table Games Department shall be a casino key employee holding a license endorsed with the position of casino officer.

(6) Slot Department

(i) Each Franchise Licensee shall have a Slot Department responsible for all aspects of the operation of the slot machines.

(ii) The department shall be supervised by a management-level employee who ensures that there is sufficient supervision, knowledge and training within the department to provide for proper and effective operation of the slot machines. The supervisor of the Slot Department shall be a casino key employee holding a license endorsed with the position of slot officer.

(7) Internal Audit Function

(i) Each Franchise Licensee shall maintain an Internal Audit Function either through a separate on-site department, or through the use of Corporate Internal Audit or through the outsourcing of this function. The Internal Audit Function shall be responsible for, without limitation, the following:

(aa) Reviewing and appraising the adequacy of internal controls.

(bb) Ensuring compliance with internal controls through observations and review of accounting documentation.

(cc) Reporting instances of non-compliance with the system of internal controls.

(dd) Reporting of any material weaknesses in the system of internal controls.

(ee) Recommending improvements in the system of internal controls.

(ii) The personnel of the Internal Audit Function shall be independent of the areas subject to audit.

(iii) The Internal Audit Function shall maintain its independence through an organizational reporting line that is outside the management of the gaming operation. The director of the function shall report directly to the Franchise Licensee holder, the general manager of the property, a corporate executive outside the property, or to an independent audit committee.

(aa) Tier 1 Franchise Licensees may satisfy the requirements of an Internal Audit Function by designating personnel to perform the internal audit work who are independent with respect to the departments or procedures being examined. Such work shall be documented in all respects and the results of the audits reported in accordance the requirements cited in subparagraphs viii and X of this clause.

(bb) The method by which the Franchise Licensee fulfills its requirements with respect to the Internal Audit Function shall be described in the Franchise Licensee's written table of organization.

(cc) Documentation (e.g., checklists, programs, reports, etc.) shall be prepared to evidence all internal audit work performed as it relates to the requirements in this section, including all instances of noncompliance. The Internal Audit Function shall operate with audit programs, which, at a minimum, address the minimum internal control standards. Additionally, the function shall properly document the work performed, the conclusions reached, and the resolution of all exceptions. All such working papers and documentation shall be retained for a minimum of five years.

(dd) Reports documenting audits performed shall be maintained for a minimum of five years and shall be made available to the Commissioner and the Gaming Division upon request. Such audit reports shall include the following information:

(1i) Audit objectives;

(2i) Audit procedures and scope;

(3i) Findings and conclusions;

(4i) Recommendations, if applicable; and

(5i) Management's response.

(v) All material exceptions resulting from internal audit work shall be investigated and resolved with the results of such being documented and retained for a minimum of five years.

(vi) Internal audit findings shall be reported to management. Management shall be required to respond to internal audit findings stating corrective measures to be taken to avoid recurrence of the audit exception. Such management responses shall be included in the internal audit report that will be delivered to management, the audit committee, the Commissioner and the Gaming Division upon request, or any other entity designated by the Franchise Licensee.

(8) Management Information Systems (MIS) Department

(i) Each Franchise Licensee shall maintain an MIS Department that shall be responsible for the quality, reliability, and accuracy of all computer systems used in the operation.

(ii) The MIS Department shall be responsible for, without limitation, the specification of appropriate computer software, hardware, and procedures for security, physical integrity, business continuity, and maintenance of:

(aa) Access codes and other data-related security controls used to ensure appropriately limited access to computers and the system-wide reliability of data;

(bb) Computer tapes, disks, or other electronic storage media containing data relevant to casino operations; and

(cc) Computer hardware, software, and communications equipment used in the conduct of casino operations.

iii. The MIS Department shall be supervised by a casino key employee holding a license endorsed with the position of Information Systems officer.

Section 3.31 Financial Reporting And Compliance Auditing

(a) Monthly and Annual Reports

(1) Each Franchise Licensee shall electronically file with the Commissioner and Gaming Division monthly and annual reports of financial and statistical data. The data may be used by the Commissioner and the Gaming Division to evaluate the financial position and operating performance of the licensee, and to compile information concerning the performance and trends of the Puerto Rico Gaming Industry.

(2) The monthly and annual reports shall include, without limitation, standard financial statements, statistical data on table games and slot machine operations and other financial data as the Commissioner may request. The Commissioner shall prescribe standard reporting forms and instructions to be used by each Franchise Licensee in filing the monthly and annual reports. The Commissioner shall also prescribe a uniform chart of accounts and accounting classifications for purposes of these reports. Franchise licensees shall prepare financial statements in accordance with the chart or in a similar form producing the same information.

(3) Monthly reports shall be due no later than the 15th calendar day following the end of the month. Annual reports shall be due no later than the 15th calendar day of the 3rd month following the end of the calendar year. Each report must be electronically received by the due date unless an extension is granted to the Franchise Licensee upon timely written request to the Commissioner.

(4) In the event of a license termination, change in business entity, or material change in ownership, the

Commissioner may require the filing of an interim monthly or annual report from the date of the last report through the date of the event.

(b) Annual Audit

(1) During the 12 months ended December 31st each year, each Franchise Licensee shall engage an independent certified public accountant who shall audit the Franchise Licensee's financial statements in accordance with generally accepted auditing standards.

(2) The audited financial statements shall be prepared on a comparative basis for the current and prior calendar year, and shall present the financial position and results of operations in conformity with generally accepted accounting principles.

(3) The financial statements required by this section shall contain a schedule reconciling and explaining any differences between the financial statements included in the Franchise Licensee's annual report filed pursuant to Section (a) above and the audited financial statements. Such schedule shall, at a minimum, disclose the effects of any adjustments on gaming revenues, other net revenues (that do not include complimentary services), total costs and total expenses, income before extraordinary items, and net income.

(4) Two copies of the audited financial statements shall be filed with the Commissioner and two copies with the Gaming Division no later than April 30th following the end of the calendar year.

(5) Each Franchise Licensee shall require its independent certified public accountants to render a report on material weaknesses in internal control. Whenever, in the opinion of the certified public accountants, there exists no material weaknesses in internal control, the report shall so state. The report required by this subsection shall be submitted to the

Commissioner and the Gaming Division no later than April 30th following the end of the calendar year.

(6) Each Franchise Licensee shall prepare a written response to report required by Subsection 5 above. Such response shall be submitted to the Commissioner and the Gaming Division no later than 90 days from the receipt of the report from the independent certified public accountants.

(c) Audits by the Commissioner of Financial Institutions

(1) The Commissioner has the authority to conduct compliance and financial audits of each Franchise Licensee. The objectives of such audits shall include, without limitation, the following:

(i) To determine that the Franchise Licensee's system of internal controls meets the minimum internal control standards of these regulations and that the Franchise Licensee is complying with those standards;

(ii) To determine that the Franchise Licensee maintains and complies with a program for Bank Secrecy Act compliance covering both currency transaction reporting and suspicious activity reporting.

(iii) To accumulate table game drop and slot coin-in data for purposes of determining that the Franchise Licensee pays the proper annual franchise fee.

(2) The Commissioner shall report the results of each audit to the Franchise Licensee, with a copy of each report submitted to the Gaming Division.

(3) The Franchise Licensee shall be required to prepare a written response to each report, indicating the corrective action taken for each item in the report. Such written response shall be submitted within 30 days of receiving the audit

report, unless an extension of time is granted upon written request to the Commissioner. A copy of the written response shall be submitted to the Gaming Division.

(4) The Commissioner shall be authorized to assess each Franchise Licensee a minimum of $300 per examiner per day or fraction of day for the costs associated with the conduct of financial and compliance audits. In addition, the Commissioner shall be authorized to assess expenses pursuant to the rules established for officials and employees of the Commonwealth of Puerto Rico.

(d) Employee Reports

Each concessionaire shall submit to the Gaming Division on a monthly basis a report that contains the number of employees of the concessionaire, the position they occupy and any other information that the Gaming Division may require.

Section 3.31.3 Record Retention Standards

(a) This section of the Regulation refers solely to the casino requirements. It is the responsibility of each Franchise Licensee to comply with any other federal or Commonwealth government recordkeeping requirements. All original books, records and documents pertaining to the Franchise Licensee's operations shall be:

(1) Prepared and maintained in a complete, accurate and legible form;

(2) Retained on-site or at another secure location approved in accordance with (d) below for the time period specified in (c) below;

(3) Made immediately available for inspection by personnel of the Commissioner and the Gaming Division during all hours of operation. For purposes of this section, "made immediately available" means that the Franchise Licensee shall produce said records within 36 hours of any request by the Commissioner or Gaming Division.

(4) Organized in such a manner so as to provide immediate accessibility to personnel of the Commissioner and the Gaming Division; and

(5) Destroyed only after:

(i) Expiration of the minimum retention period specified in (c) below, except that the Commissioner and the Gaming Division may, upon the written request of any Franchise Licensee and for good cause shown, permit such destruction at an earlier date; and

(ii) Written notice to the Commissioner and the Gaming Division in accordance with (f) below.

(b) For the purposes of this section, "books, records and documents" shall be defined as any book, record or document pertaining to, prepared in or generated by the operation of a casino, including, but not limited to, all forms, reports, accounting records, ledgers, subsidiary records, computer generated data, internal audit records, correspondence and personnel records. This definition shall apply without regard to the medium through which the record is generated or maintained, including but not limited to paper, magnetic media or encoded disk.

(c) All original books, records, and documents shall be retained by a Franchise Licensee in accordance with the following schedules. For purposes of this subsection, "original books, records or documents" shall not include copies of originals, except for copies that contain original comments or notations or parts of multi-part forms.

(1) The following original books, records and documents shall be retained indefinitely unless destruction is requested by the Franchise Licensee and approved by the Commissioner and the Gaming Division:

(i) Corporate records in accordance with section (i) below;

(ii) Records of investigations conducted by the corporation;

(iii) Current casino employee personnel files; and

(iv) A record of any original book, record or document destroyed, identifying the particular book, record or document, the period of retention and the date of destruction.

(2) The Franchise Licensee shall retain the following original books, records, and documents for a minimum of five years:

(i) Gaming-related documents not otherwise specified elsewhere in this section, including, without limitation, records concerning gaming-related casino service industries;

(ii) Personnel files of terminated casino employees;

(iii) Casino cage documents;

(iv) Documentation supporting the calculation of table game wins;

(v) Documentation supporting the calculation of slot machine wins;

(vi) Documentation supporting the calculation of poker revenue;

(vii) Documentation supporting the calculation of the provision for uncollectible patron checks; and

(viii) All records pertaining to the extension of credit.

(3) The following original books, records and documents shall be retained by a Franchise Licensee for a minimum of three years:

(i) Payroll records, except as provided in (c)1 above;

(ii) Signature cards of terminated employees;

(iii) Casino marketing department records;

(iv) Security incident reports;

(v) Patron gaming records;

(vi) Records concerning junkets;

(vii) Records pertaining to complimentary gifts and services granted to patrons; and

(v) General ledgers and supporting journals.

(4) The following original books, records and documents shall be retained by a Franchise Licensee for a minimum of two years:

(i) Card and dice transaction and inventory reports;

(ii) Returned check aging reports, except for year-end reports;

(iii) Any document, except for a document specified in (c)2iv through viii above, for which the Franchise Licensee can demonstrate that the information contained thereon is duplicative or less than that recorded on another document retained in accordance with (c)1 through 3 above.

(iv) Coupons entitling patrons to cash, slot tokens, gaming chips or plaques, or match play coupons, including unused, voided and redeemed coupons;

(v) Surveillance employee duty logs, VCR/tape logs, and equipment malfunction reports;

(5) The Franchise Licensee shall retain the following original books, records and documents for a minimum of six months:

(i) Surveillance department visitor logs;

(ii) Documents relating to casino promotions, such as entry forms and game tickets.

(6) The Franchise Licensee need not retain the following original books, records and documents any minimum period of time, but may be destroyed only upon written notice in accordance with (f) and (g) below:

(i) Any serially pre-numbered form required by these regulations that is blank or unused, unless otherwise specified by this section; and

(ii) Any original book, record or document that has been copied and stored on a microfilm, microfiche or other media system approved by the Commissioner and the Gaming Division.

(d) A Franchise Licensee may petition the Commissioner and the Gaming Division at any time for approval of a facility off the site of the approved casino facility to be used to generate or store original books, records and documents. Such petition shall include:

(1) A detailed description of the proposed off-site facility, including security and fire safety systems; and

(2) The procedures pursuant to which Commissioner and the Gaming Division will be able to gain access to the original books, records and documents retained at the off-site facility.

(e) A Franchise Licensee may petition the Commissioner or the Gaming Division for approval of a microfilm, microfiche or other suitable media system for the copying and storage of original books, records, and documents. Such system shall be

approved if it contains the following elements to the satisfaction of the Commissioner or the Gaming Division:

(1) A system that provides for the processing, preservation, and maintenance of books, records, and documents in a form that makes them readily available for review and copying on the site of the approved casino facility or other approved site;

(2) A system of inspection and quality control that guarantees a superior degree of legibility of the microfilm, microfiche or other media when displayed on a reader or reproduced on paper;

(3) A reader-printer available for use by the Commissioner or the Gaming Division on-site in the approved casino facility or other approved site which permits the ready placement, reading and reproduction of any book, record or document being stored on microfilm, microfiche or other media; and

(4) A detailed index of all microfilmed, microfiche or other electronic or otherwise stored data maintained and arranged in such a manner as to permit the immediate location of any particular book, record or document.

(f) The Franchise Licensee must notify the Commissioner and the Gaming Division in writing at least 30 days prior to the scheduled destruction of any original book, record or document. Such notice must list each type of book, record and document scheduled for destruction, including a description sufficient to identify the books, records and documents included in the request; the retention period; and the date of destruction. Each Franchise Licensee must retain this record of destruction in accordance with subparagraph (c)1 above.

(g) The Commissioner and the Gaming Division may prohibit the destruction of any original book, record or document by so notifying the Franchise Licensee in writing, within 30 days of

the receipt of notice of destruction pursuant to (f) above. Such original book, record or document may thereafter be destroyed only upon notice from the Commissioner and the Gaming Division, or by order of the Commissioner and the Gaming Division upon the petition of the Franchise Licensee or by the Commissioner and the Gaming Division on their own initiative.

(h) The Franchise Licensee may utilize the services of a solid wastes disposal company for the destruction of any books, records or documents except those related to credit. Any cash complimentary coupons to be destroyed by a solid waste disposal company shall be canceled with a void stamp, hole punch or similar device, or must contain a clearly marked expiration date that has expired.

(1) Nothing herein shall be construed as relieving a Franchise Licensee from meeting any obligation to prepare or maintain any book, record or document required by any other Federal, state or local governmental body, authority or agency.

(i) In addition to other records and information required by this regulation, each Franchise Licensee shall maintain the following records relative to the equity structure and the owners:

(1) If a corporation:

(i) A certified copy of articles of incorporation and any amendments thereto;

(ii) A copy of by-laws and amendments thereto;

(iii) A current list of officers and directors;

(iv) Minutes of all meetings of stockholders and directors;

(v) A current list of all stockholders of the corporation and of its affiliates, including their names and the names of the beneficiaries of the stocks owned by stockbrokers or other persons who have a beneficiary interest of five percent or more in the outstanding shares of any class issued; their addresses; and the number of shares held by each and the date on which they were acquired;

(vi) A complete record of all stock transfers;

(vii) A record of the amounts paid to the corporation for the issuance of stock and other capital contributions and the dates thereof;

(viii) A record, by stockholder, of all dividends distributed by the corporation; and

(ix) A record of all salaries, wages, and other remuneration (including perquisites), direct and indirect, paid during the calendar or fiscal year, by the corporation, to all officers, directors, and stockholders with an ownership interest at any time during the calendar or fiscal year, equal to or greater than five percent of the capital stock of any class issued and outstanding.

(2) If a partnership:

(i) A schedule showing the amounts and dates of capital contributions, the names and

addresses of the contributors, and percentage of interest in net profits and losses held by each;

(ii) A record of the withdrawal of partnership funds or assets;

(iii) A record of salaries, wages, and other remuneration (including perquisites), direct and indirect, paid to each partner during the calendar or fiscal year; and

(iv) A copy of the partnership agreement and certificate of limited partnership, if applicable.

(3) If a sole proprietorship:

(i) A schedule showing the name and address of the proprietor and the amount and date of his original investment;

(ii) A record of dates and amounts of subsequent additions to the original investment and withdrawals therefrom; and

(iii) A record of salaries, wages, and other remuneration (including perquisites), direct or indirect, paid to the proprietor during the calendar or fiscal year.

(4) Any other record required by the Commissioner and Gaming Division.

Section 3.31.4 Table Games

(a) Procedures for Opening Tables for Gaming

(1) Immediately prior to opening the gaming table for gaming, the floor supervisor assigned to such table shall unlock the container containing the table inventory bank.

(2) The croupier assigned to the gaming table shall count the contents of the table inventory bank in the presence of the floor supervisor assigned to such table and shall conform the count to the table inventory form (the opener) removed from the container. If there is no croupier present, then the count of the table inventory may be performed by a floor supervisor in the presence of a second floor supervisor.

(3) The croupier assigned to the table and the floor supervisor who observed the croupier shall count the contents of the bank and sign the table inventory form (the opener) to attest to the accuracy of the information contained therein.

(4) Any discrepancy between the amount of gaming chips, tokens, coins or plaques counted and the amount of the gaming chips, tokens, coins and plaques recorded on the table inventory form shall be immediately reported to the casino manager or other management employee in charge at such time, and the surveillance department for appropriate action.

(5) After counting the contents of the table inventory bank and signing the table inventory form (the opener), the croupier and the floor supervisor shall immediately deposit the opener in the drop box attached to the gaming table.

(b) Fill and Credit Standards

(1) Fill slips and credit slips shall be in at least triplicate form in a continuous numerical series, and pre-numbered or concurrently numbered in a form utilizing the alphabet and only in one series at a time. The alphabet need not be used if the numerical series is not repeated during the business year.

(2) All unissued and issued fill/credit slips shall be safeguarded and adequate procedures shall be employed in their distribution, use, and control. Personnel from the cashier or table games departments shall have no access to the secured (control) copies of the fill/credit slips.

(3) When a fill/credit slip is voided, the cashier shall clearly mark "void" across the face of the original and first copy, the cashier and one other person independent of the transactions shall sign both the original and first copy, and shall submit them to the casino accounting department for retention and accountability.

(c) Fill Transactions

(1) Fill transactions shall be authorized by floor supervisory personnel before the issuance of fill slips and transfer of chips, tokens, or cash equivalents. The fill request shall be communicated to the cage where the fill slip is prepared.

(2) At least three parts of each fill slip shall be utilized as follows:

(i) One part shall be transported to the pit with the fill and, after the appropriate signatures are obtained, deposited in the table game drop box;

(ii) One part shall be retained in the cage for reconciliation of the cashier bank; and

(iii) For computerized systems, one part shall be retained in a secure manner to ensure that only authorized persons may gain access to it. For manual systems, one part shall be retained in a secure manner in a continuous unbroken form.

(3) The part of the fill slip that is placed in the table game drop box shall be of a different color for fills than for credits, unless the type of transaction is clearly distinguishable in another manner (the checking of a box on the form shall not be a clearly distinguishable indicator).

(4) The table number, shift, and amount of fill by denomination and in total shall be noted on all copies of the

fill slip. The correct date and time shall be indicated on at least two copies.

(5) All fills shall be carried from the cashier's cage by a person who is independent of the cage or table game departments.

(6) The fill slip shall be signed by at least the following persons, as an indication that each has counted the amount of the fill and the amount agrees with the fill slip:

(i) The cashier who prepared the fill slip and issued the chips, tokens, or cash equivalent;

(ii) The runner who carried the chips, tokens, or cash equivalents from the cage to the pit;

(iii) The croupier who received the chips, tokens, or cash equivalents at the gaming table; and

(iv) The floor supervisory personnel who supervised the fill transaction.

(7) Fills shall be broken down and verified by the croupier in public view before the croupier or floor supervisor places the fill in the table tray.

(8) A copy of the fill slip shall then be deposited into the drop box on the table by the croupier or floor supervisor, from where it shall subsequently be retrieved in the soft count room with the cash receipts for the shift.

(d) Credit Transactions

(1) Table credit transactions shall be authorized by a floor supervisor before the issuance of the credit slip and transfer of chips, tokens, or other cash equivalent. The credit request shall be communicated to the cage where the credit slip is prepared.

(2) At least three parts of each credit slip shall be utilized as follows:

(i) Two parts of the credit slip shall be transported by the runner to the pit. After

signatures of the runner, croupier, and floor supervisor are obtained, one copy shall be deposited in the table game drop box, and the original shall accompany transport of the chips, tokens, or cash equivalents from the pit to the cage for verification and signature of the cashier.

(ii) For computerized systems, one part shall be retained in a secure manner to ensure that only authorized persons may gain access to it. For manual systems, one part shall be retained in a secure manner in a continuous unbroken form.

(3) The table number, shift, and the amount of credit by denomination and in total shall be noted on all copies of the credit slip. The correct date and time shall be indicated on at least two copies.

(4) Chips, tokens, and/or cash equivalents shall be removed from the table tray by the croupier or floor supervisor and shall be broken down and verified by the croupier or floor supervisor in public view prior to placing them in racks for transfer to the cage. In the absence of a croupier, this procedure may be performed by two floor supervisors.

(5) All chips, tokens, and cash equivalents removed from the tables shall be carried to the cashier's cage by a person who is independent of the cage or table game departments.

(6) The credit slip shall be signed by at least the following persons, as an indication that each has counted or, in the case of markers, reviewed the items transferred:

(i) The cashier who received the items transferred from the pit and prepared the credit slip;

(ii) The runner who carried the items transferred from the pit to the cage;

(iii) The croupier who had custody of the items prior to transfer to the cage; and

(iv) The floor supervisory personnel who supervised the credit transaction.

(7) The credit slip shall be inserted in the drop box by the croupier or the floor supervisor.

(8) Chips, tokens, or other cash equivalents shall be deposited on gaming tables only when accompanied by an appropriate fill slip, or in collection of a losing wager.

(9) Chips, tokens, or other cash equivalents shall be removed from gaming tables only when accompanied by an appropriate credit slip, marker or front money withdrawal or in payment of a winning wager, or in return for a cash buy-in.

(10) Cross fills, which are the transfer of chips between table games and even cash exchanges, are prohibited in the pit.

(e) Credit Play

The following standards shall apply to a Franchise Licensee that allow credit play through a marker, excluding rim credit, that is, that which is given without immediate signature:

(1) Each licensee’s marker system shall allow for credit to be issued in the pit, but repaid only at the cage.

(2) Prior to the issuance of gaming credit to a player, the employee extending the credit shall contact the cashier or other independent source to determine if the player's credit limit has been properly established and there is sufficient remaining credit available for the advance.

(3) Proper authorization of credit extension in excess of the previously established limit shall be documented.

(4) The amount of credit extended shall be communicated to the cage or another independent source and the

amount documented within a reasonable time subsequent to each issuance.

(5) The marker form shall be prepared in at least triplicate form, triplicate form being defined as three parts performing the functions delineated in the standard below, with a preprinted or concurrently-printed marker number, and utilized in numerical sequence. This requirement shall not preclude the distribution of batches of markers to various pits or table supervision areas.

(6) At least three parts of each separately numbered marker form shall be utilized as follows:

(i) The original and payment copies of the marker shall be transferred to the principal cage by an individual who is independent of the marker issuance function;

(ii) The issue slip shall be inserted into the appropriate table game drop box when credit is extended or when the player has signed the original.

(7) When marker documentation, such as the issue slip, is inserted in the drop box, such action shall be performed by the croupier or floor supervisor at the table.

(8) A record shall be maintained that details the following (e.g., master credit record retained at the pit podium or in a computerized system):

(i) The signature or initials of the person(s) approving the extension of credit, unless such information is contained elsewhere for each issuance;

(ii) The legible name of the person receiving the credit;

(iii) The date and shift when credit was granted;

(iv) The table where the credit was extended;

(v) The amount of credit issued;

(vi) The marker number;

(vii) The amount of credit remaining after each issuance or the total credit available for all issuances;

(9) The marker forms required in this section shall be safeguarded, and adequate procedures shall be employed to control the distribution, use, and access to these forms.

(10) All credit extensions shall be initially evidenced by lammer buttons, which shall be displayed on the table in public view and placed there by floor supervisory personnel, or by the croupier upon authorization of the floor supervisor.

(11) Marker preparation shall be initiated and other records updated within approximately one hand of play following the initial issuance of credit to the player.

(12) Lammer buttons shall be removed only by the croupier employed at the table upon authorization of the floor supervisor or by the floor supervisor upon completion of a marker transaction.

(13) The original, payment and issue slip copies of the marker shall contain at least the following information:

(i) Marker number;

(ii) Player's name and signature;

(iii) Table number, date, and time of issuance;

(iv) Amount of credit issued;

(v) Signature of the individual extending the credit; and

(vi) Signature of the croupier or floor supervisor at the table.

(14) All portions of markers, both issued and unissued, shall be safeguarded and procedures shall be employed to control the distribution, use and access to the forms.

(15) An investigation shall be performed by the Franchise Licensee to determine the cause and responsibility for loss whenever marker forms, or any part thereof, are missing. These investigations shall be documented, maintained for inspection, and provided to the Commissioner or Gaming Division upon request.

(f) Table Inventory Procedures

(1) At the close of each shift, for those tables that were opened during that shift:

(i) The table's chip, token, and coin inventory shall be counted and recorded on a table inventory form; or

(ii) If the table banks are maintained on a fixed fund system, a final fill or credit shall be made to bring the bank back to par.

(2) If final fills are not made, beginning and ending inventories shall be recorded on the master game sheet for shift win calculation purposes.

(3) Table inventory forms shall be at least two-part forms and shall contain the following information:

(i) The date and identification of the shift ended;

(ii) The game and table number;

(iii) The total value of each denomination of gaming chips, tokens, coins, and plaques remaining at the gaming table; and

(iv) The total value of all denominations of gaming chips, tokens, coins, and plaques remaining at the gaming table.

(4) The accuracy of inventory forms prepared at shift end shall be verified by the outgoing floor supervisor and the croupier. Alternatively, if the croupier is not available, such verification may be provided by two floor supervisors.

Verifications shall be evidenced by signatures on the inventory form.

(5) Upon meeting the signature requirements, one part of the inventory form, the closer, shall be deposited in the drop box by the croupier or floor supervisor, prior to removal of the drop box. The second part of the inventory form, the opener, shall be placed in the locked table inventory tray attached to the table, if the table is to close. If the table is to remain open after shift change, the second part of the inventory form, the opener, shall be immediately deposited by the croupier or floor supervisor into the new drop box that is attached to the table following the shift change.

(g) Computer Generated table Games Documentation

(1) The computer system shall be capable of generating adequate documentation of all information recorded on the source documents and transaction detail including, fill/credit slips, markers, and other casino accounting documents.

(2) This documentation shall be restricted to authorized personnel.

(3) The documentation shall include, at a minimum:

(i) System exception information (e.g., appropriate system parameter information, corrections, voids, etc.); and

(ii) Personnel access listing, which includes, at a minimum:

(a) Employee name and employee identification number; and

(b) Listing of functions employees can perform or equivalent means of identifying the same.

(h) Games Supervision

Floor supervisory personnel, with authority equal to or greater than those being supervised, shall provide supervision of all table games.

(i) Analysis of Table Game Performance

(1) Records shall be maintained by day and shift indicating any single-deck blackjack games that were dealt for an entire shift.

(2) Records reflecting drop, win and hold percentage by table and type of game shall be maintained by shift, by day, cumulative month-to-date, and cumulative year-to-date.

(3) This information shall be presented to and reviewed by management independent of the table games department on at least a monthly basis.

(4) The management mentioned in subsection 3 above shall investigate any unusual fluctuations in hold percentage with floor supervisory personnel.

(5) The results of such investigations shall be documented, maintained for inspection, and provided to the Gaming Division upon request.

(j) Table Games Accounting/Auditing Procedures

(1) The accounting and auditing procedures shall be performed by personnel who are independent of the transactions being audited/accounted for.

(2) If at a table game it is possible to determine the drop, such as bill-in/coin-drop meters, bill acceptor, computerized record, the dollar amount of the drop shall be reconciled to the actual drop by shift.

(3) Accounting/auditing employees shall review exception reports for all computerized table games systems at least monthly to ensure that the transactions are accurate and for any unusual incident.

(4) The Franchise Licensee shall investigate any noted improper transactions or unusual occurrences and shall document the results of such investigation.

(5) Evidence of table games auditing procedures including programs and checklists and any follow-up performed shall be documented, maintained for inspection, and provided to the Commissioner and Gaming Division upon request.

(6) A daily recap shall be prepared for the day and month-to-date, which shall include the following information:

(i) Drop;

(ii) Win; and

(iii) Gross revenue.

Section 3.31.5 Table Game Drop and Count Procedures

(a) Table Game Drop Box Characteristics

(1) Each gaming table in a casino shall have attached to it a secure tamper-resistant container known as a "drop box" in which shall be deposited all cash, coupons exchanged at the gaming table for gaming chips and plaques, match play coupons, issuance copies of markers exchanged at the gaming table for gaming chips and plaques, documents that evidence the exchange of gaming chips or plaques as part of credit or debit card chip transactions, fill and credit slips, table inventory forms, and other documents or forms.

(2) Each drop box shall have:

(i) At least one separate lock securing the contents placed into the drop box;

(ii) A separate lock securing the drop box to the gaming table, the key to which shall be different from the key to the lock securing the contents of the drop box;

(iii) A slot opening through which currency, coins, coupons, forms, records, and documents can be inserted into the drop box;

(iv) A mechanical device that will automatically close and lock the slot opening upon removal of the drop box from the gaming table; and

(v) Permanently imprinted or stamped thereon, and clearly visible from a distance of 20 feet, a number corresponding to a permanent number on the gaming table to which it is attached and a marking to indicate the game, except that emergency drop boxes may be maintained without such number or marking, provided the word "emergency" is permanently imprinted or stamped thereon and, when put into use, are temporarily marked with the number of the gaming table and identification of the game.

(b) Table Game Drop Standards.

(1) The setting out of empty table game drop boxes and the drop shall be a continuous process.

(2) Procedures shall be implemented by Franchise Licensees to insure that unauthorized access to empty table game drop boxes does not occur from the time the boxes leave their storage location until they are placed on the tables.

(3) At the end of the gaming day or at the end of each shift (if so implemented by the Franchise Licensee) or at least once every 24 hours, all locked table game drop boxes shall be removed from the tables by a person independent of the table games shift being dropped and shall be replaced with an empty drop box. For Tier 1 licensees, the removal and replacement of drop boxes may be limited to only tables that have been opened at any time during the previous 24 hours.

(4) If drop boxes are not removed and replaced on all tables, then the table games Department shall document which tables were open during the shift. This standard shall not apply to Tier 2 Franchise Licensees.

(5) Upon removal from the tables, the drop boxes shall be transported directly to the count room or other equivalently secure area with comparable controls and locked in a secure manner until the count takes place.

(6) The transporting of table game drop boxes shall be performed by a minimum of two persons, at least one of whom is independent of the table games shift being dropped.

(7) Surveillance shall be notified when the drop is to begin so that Surveillance may monitor the activities.

(8) Each Franchise Licensee shall notify the Commissioner and the Gaming Division in writing of the specific times at which the table game drop shall commence each day.

(c) Soft Count Room Characteristics

(1) Each Franchise Licensee shall have a "soft count room" specifically designated for the counting of the contents of the drop boxes and the slot bill validator boxes. The count room shall be designed and constructed to provide maximum security for the items housed therein and for the activities conducted therein.

(2) The count room shall, at a minimum, be constructed with the following security measures:

(i) A metal door with a locking device to secure the contents of the room.

(ii) A ceiling of solid construction with secured vents and ductwork.

(iii) A lighting system that cannot be turned off from within the room.

(iv) Emergency lighting and a secure method of exiting the room in the event of an emergency.

(v) The count room shall be at a sufficient distance from the casino floor and gaming

devices so as to provide effective security against theft.

(3) The count room shall contain the following:

(i) A table constructed of clear glass or similar material for emptying, counting, and recording the drop boxes and bill validator boxes.

(ii) Closed circuit television cameras and microphones wired to the Surveillance monitoring room capable of the effective, detailed audio-video monitoring and recording of the entire count room, count process and any other activities in the count room.

(d) Soft Count Room Personnel

(1) The table game soft count shall be performed by a minimum of three (3) employees for Tier 2 Franchise Licensees. For Tier 1 Franchise Licensees, two employees shall be sufficient to conduct the count.

(2) Count room personnel shall not be allowed to exit or enter the count room during the count except for emergencies or scheduled breaks. At no time during the count, shall there be fewer than three employees, two employees for Tier 1 Franchise Licensees, in the count room until the drop proceeds have been accepted into the cage accountability.

(3) Surveillance shall be notified whenever count room personnel exit or enter the count room during the count.

(4) At least one count team member shall be rotated on a routine basis such that the count team is not consistently the same three persons (two persons for Tier 1 Franchise Licensees) more than four (4) days per week.

(5) The count team shall be independent of transactions being reviewed and counted, and the subsequent accountability of the count proceeds. The count team shall be

independent of the cage/vault departments; however, an accounting representative may be used as a participant in the count if there is an independent audit of all soft count documentation for that day.

(6) All persons present in the count room during the counting process shall wear as outer garments, only a short sleeve, full-length, one-piece, pocketless garment with openings only for the arms, feet and neck. The zipper must be closed to the neck.

(7) No person shall carry a pocketbook, bag or other container into the count room unless it is transparent.

(e) Soft Count Standards

(1) The following standards shall apply to the count of table game drop boxes, and to the count of slot bill validator boxes if the Franchise Licensee's system of internal controls provides for counting the validator boxes in the soft count room.

(2) The table game and bill validator soft count shall be performed in the soft count room. Immediately prior to the commencement of the count, the count team shall notify Surveillance that the count is about to begin.

(3) Access to the soft count room during the count shall be restricted to members of the drop and count teams, with the exception of observers authorized by the Gaming Division, and supervisors for resolution of problems. The door to the count room shall remain locked during the count and whenever funds are present in the room.

(4) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.

(5) The table game drop boxes and bill validator boxes shall be individually emptied and counted in such a manner to

prevent the commingling of funds between boxes until the count of the box has been recorded.

(i) Prior to opening each drop box, one count team member shall verbalize in a tone of voice to be recorded by the Surveillance audio device, the game and table number of the box.

(ii) The count of each box shall be recorded in ink or other permanent form of recording.

(iii) A second count shall be performed by an employee on the count team who did not perform the initial count.

(iv) Corrections to information originally recorded by the count team on soft count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members who verified the change. For Tier 1 Franchise Licensees, one count team member would be necessary to verify the change in addition to the person making the change.

(6) If currency counters are used and the count room table is used only to empty boxes and sort or stack the contents therein, a count team member shall observe the loading and unloading of all currency at the currency counter, including rejected currency.

(7) Table game drop boxes and bill validator boxes, when empty, shall be shown to another member of the count team and to Surveillance.

(8) Fills and credits shall be traced to or recorded on the count sheet. For Tier 1 Franchise Licensees, this function may be performed by the Casino Accounting Department.

(9) Pit marker issue slips removed from the drop boxes shall either be:

(i) Traced to or recorded on the count sheet by the count team; or

(ii) Totaled by shift and traced to the totals documented by the computerized system. Casino accounting personnel shall verify that the issue slip for each table is accurate.

(10) Any other documents removed from the drop boxes shall be examined for propriety and either recorded on or traced to the count sheet.

(11) The opening/closing table inventory forms shall either be:

(i) Examined and traced to or recorded on the count sheet; or

(ii) If a computerized system is used, casino accounting personnel can trace the opening/closing table inventory forms to the count sheet. Discrepancies shall be investigated by the Franchise Licensee, with the findings documented and maintained for inspection.

(12) The count sheet shall be reconciled to the total drop by a count team member who shall not function as the sole recorder.

(13) All members of the count team shall sign the count document or a summary report to attest to their participation in the count.

(14) All drop proceeds that were counted shall be turned over to the cage cashier, who shall be independent of the

count team, or to an authorized person/employee independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the accuracy of the drop proceeds delivered and received.

(15) The count sheet, with all supporting documents, shall be delivered to the casino accounting department by a count team member or a person independent of the cashiers department. Alternatively, it may be adequately secured (e.g., locked container to which only casino accounting personnel can gain access) until retrieved by the casino accounting department.

(16) At all times prior, during or after the count, access to stored, full or empty drop boxes and bill validator boxes shall be restricted to authorized members of the drop and count teams.

(f) Key Control Standards

(1) The involvement of at least two persons independent of the cage department shall be required to access stored empty table game drop boxes and bill validator boxes.

(2) At least three, two for Tier 1 Franchise Licensees, count team members are required to be present at the time count room and other count keys are issued and signed out for the count.

(3) All duplicate keys shall be maintained in a manner that provides the same degree of control as is required for the original keys. Records shall be maintained for each key duplicated that indicate the number of keys made and destroyed.

(4) Logs shall be maintained by the custodian of all sensitive keys to document the possession of keys at any point in time, as well as authorization of personnel accessing keys.

(5) Table game drop box release keys.

(i) The table game drop box release keys shall be maintained by a department independent of the table games department.

(ii) The drop box release keys shall be separately keyed from the drop box contents keys.

(iii) Only the person(s) authorized to remove table game drop boxes from the tables shall be allowed access to the table game drop box release keys; however, the count team members may have access to the release keys during the soft count in order to reset the table game drop boxes.

(iv) Persons authorized to remove the table game drop boxes shall be precluded from having simultaneous access to both the table game drop box contents keys and release keys.

(v) For situations requiring access to a table game drop box at a time other than the scheduled drop, the date, time, and signature of employee signing out/in the release key must be documented along with the reason for access.

(6) Table Game Drop Box Storage Cart Keys

(i) A casino employee independent of the table games department shall be required to accompany such keys and observe each time drop boxes are removed from or placed in storage carts. This requirement shall not apply to Tier 1 Franchise Licensees.

(ii) Persons authorized to obtain drop box storage cart keys shall be precluded from having access to the drop box contents keys with the exception of the members of the count team.

(7) Table Game Drop Box Contents Keys

(i) The physical custody of the keys needed for accessing stored full drop box contents shall

require the involvement of persons from three separate departments for Tier 2 Franchise Licensees. For Tier 1 Franchise Licensees, this procedure shall only require the involvement of two separate departments.

(ii) Access to the contents key at other than scheduled count times shall require the involvement of at least three persons from separate departments, including management. The reason for access must be documented with the signatures of all participants and observers.

Section 3.31.6 Cage Operations

Unless otherwise specified, the requirements of this section shall apply to Tier I and Tier II Franchise Licensees.

(a) Cage Characteristics

(1) Each Franchise Licensee shall have on or immediately adjacent to the casino floor, a physical structure known as the casino cage to house the cashiers and the custody of the cage inventory of:

(i) Currency and coins;

(ii) House chips, including reserve chips;

(iii) Personal checks, cashier's checks, counter checks, and traveler's checks for deposit;

(iv) Customer deposits;

(v) Chips on gaming tables;

(vi) Hopper loads (coins put into machines when they are placed in service); and

(vii) Fills and credits (these documents shall be treated as assets and liabilities, respectively, of the cage during a business day. When win or loss is recorded at the end

of the business day, they are removed from the accountability).

(viii) Forms, documents and records associated with the operation of the cage.

(2) The cage shall be designed and constructed to provide maximum security for the materials housed and the activities performed therein. The cage shall:

(i) Be fully enclosed except for openings through which materials such as gaming chips and plaques, slot tokens, patron checks, cash, records, and documents may be passed to service the public, gaming tables, and slot booths;

(ii) Contain a silent alarm system for the cage, its ancillary office space and vault that shall be connected directly to the monitoring room of the CCTV system and the casino security department office.

(3) In addition, the cage shall be secured by a double door entry and exit system that shall not permit a person to pass through the second door until the first door is securely locked;

(i) The first door adjacent to the casino floor of the double door entry and exit system shall be controlled by the casino security department. The second door of the double door entry and exit system shall be controlled by the cashiers' cage;

(ii) Locks on each door of the double door entry and exit system shall be keyed differently from each other;

(iii) The system shall have closed circuit television coverage which shall be monitored

by the casino security department or surveillance department; and

(iv) Tier I Franchise Licensee's shall not be required to comply with section (a) 3(i)-(iii) if the cage door adjacent to the casino floor is alarmed and monitored by the CCTV system.

(b) Computer Applications

For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards in this section, as approved by the Gaming Division shall be acceptable.

(c) Accounting Controls for the Casino Cashiers' Cage.

(1) The casino cage shall be responsible for assets maintained therein and shall include but not be limited to functions that pertain to:

(i) Transactions with patrons (i.e. exchange cash for chips, cash checks, accept customer deposits);

(ii) Transactions with other games departments: table, slot, keno, (i.e. hopper fills, jackpot payouts, table fills, table credits);

(iii) Preparing credit applications and verifying information therein;

(iv) Preparing bank deposits;

(v) Accepting coin and currency count from the count rooms;

(vi) Receiving wire transfer notifications;

(vii) Exchanges among cage accountabilities for chips, checks and coin;

(viii) Preparing overall cage reconciliations; and

(ix) Preparing supporting documentation along with signatures of participants for effective

segregation of, and authorization of cage functions.

(2) Signatures attesting to the accuracy of information contained on Cashiers' Count Sheets shall be, at a minimum, signatures of incoming and outgoing cashiers following preparation of Cashiers' Count Sheets.

(3) At the end of each gaming day, at a minimum, a copy of Cashiers' Count Sheets and related documentation shall be forwarded to the casino accounting department for agreement of opening and closing inventories, agreement of amounts thereon to other forms, records, and documents required by this section, and recording of transactions.

(d) Personal Checks, Cashier's Checks, Payroll Checks, Travelers' Checks and Markers

(1) For personal checks, cashiers' checks, payroll checks, travelers' checks or markers cashed at the cage, the Franchise Licensee shall establish and comply with appropriate controls submitted to and approved by the Gaming Division for purposes of security and integrity.

(2) Franchise licensees shall not accept checks from any staff of the Gaming Division or from staff of the Commissioner.

(3) Checks specified in this subsection shall be for gaming purposes only, made payable to the Franchise Licensee or in the name of the presenting patron, and be presented to the cage cashier who shall:

(i) Restrictively endorse the check "for deposit only" to the Franchise Licensee's bank account;

(ii) Initial the check;

(iii) Date and time stamp the check;

(iv) Verify the customer's identity via examination of identification credentials;

(v) When traveler's checks or other guaranteed drafts such as cashier's checks are presented, the cashier shall comply with the examination and documentation procedures as required by the issuer; and

(vi) Exchange the check for currency and coin in an amount equal to the amount for which the check is drawn.

(e) Customer Deposited Funds

If a gaming operation permits a customer to deposit funds with the gaming operation at the cage, the following standards shall apply:

(1) The receipt or withdrawal of a customer deposit shall be evidenced by at least a two-part document with one copy going to the customer and one copy remaining in the cage file.

(2) The multi-part receipt shall contain the following information:

(i) Same receipt number on all copies;

(ii) Customer's name and signature;

(iii) Date of receipt and withdrawal;

(iv) Dollar amount of deposit/withdrawal; and

(v) Nature of deposit (cash, check, chips); however,

(vi) Provided all of the information in paragraph (c)(2)(i) through (v) is available, the only required information for all copies of the receipt is the receipt number.

(3) The Franchise Licensee shall establish and the gaming operation shall comply with procedures that:

(i) Maintain a detailed record by customer name and date of all funds on deposit;

(ii) Maintain a current balance of all customer deposits that are in the cage/vault inventory or accountability; and

(iii) Reconcile this current balance with the deposits and withdrawals at least daily.

(4) The Franchise Licensee shall describe the sequence of the required signatures attesting to the accuracy of the information contained on the customer deposit or withdrawal form ensuring that the form is signed by the cashier.

(5) All customer deposits and withdrawal transactions at the cage shall be recorded on a cage accountability form on a per-shift basis.

(6) Only cash, cash equivalents, chips, tokens and wire transfers-in shall be accepted from customers for the purpose of establishing a customer deposit. Vouchers issued from ticket-in/ticket-out slot systems shall not be placed on deposit for customers, but shall be exchanged for cash.

(7) The Franchise Licensee shall establish procedures that verify the customer's identity, including photo identification.

(8) A file for customers shall be prepared prior to acceptance of a deposit.

(f) Cage and Vault Accountability Standards

(1) All transactions that flow through the cage shall be summarized on a cage accountability form on a per shift basis and shall be supported by documentation.

(2) The cage and vault, including coin room inventories, shall be counted by the incoming and outgoing cashiers. These employees shall make individual counts for comparison of accuracy and maintenance of individual accountability. Such counts shall be recorded at the end of each shift during which activity took place. All discrepancies shall be noted and investigated by the Franchise Licensee.

(3) At the end of each gaming day, at a minimum, a copy of cashiers' count sheets and related documentation shall be forwarded to the accounting department for agreement of opening and closing inventories, and agreement of amounts thereon to other forms, records and documents specified in this section.

(4) The gaming operation cash-on-hand shall include, but not be limited to, the following components:

(i) Currency and coins;

(ii) House chips, including reserve chips;

(iii) Personal checks, cashier's checks, markers, and traveler's checks for deposit;

(iv) Customer deposits;

(v) Chips on tables;

(vi) Hopper loads (coins put into machines when they are placed in service); and

(vii) Fills and credits - These documents shall be treated as assets and liabilities, respectively, of the cage during a business day. When win or loss is recorded at the end of the business day, they are removed from the accountability.

(g) Coupon Standards

Any program for the exchange of coupons for chips, tokens, and/or another coupon program shall be approved by the Gaming Division prior to implementation. If approved, the Franchise Licensee shall establish and comply with procedures that account for and control such programs.

(h) Accounting/Auditing Standards

(1) The cage accountability shall be reconciled to the general ledger at least monthly.

(2) A trial balance of gaming operation accounts receivable, including the name of the customer and current

balance, shall be prepared at least monthly for active, inactive, settled or written-off accounts.

(3) The trial balance of gaming operation accounts receivable shall be reconciled to the general ledger each month. The reconciliation and any follow-up performed shall be documented, maintained for inspection, and provided to the Gaming Division and Commissioner upon request.

(4) The collection percentage of credit issued shall be evaluated on a monthly basis.

(5) All cage and credit accounting procedures and any follow-up performed shall be documented, maintained for inspection, and provided to the Gaming Division and Commissioner upon request.

Section 3.31.7 Complimentary Services and Items

Unless otherwise specified, these subsections shall apply to both Tier I and Tier II Franchise Licensees.

(a) A complimentary service or item is a service or item provided directly or indirectly by a Franchise Licensee at no cost or at a reduced price.

(b) No Franchise Licensee may offer or provide any complimentary services, gifts, cash or other items of value to any person except as authorized by this section, unless it is a lawful complimentary service or item. Each Franchise Licensee shall, prepare and maintain internal controls for the authorization and issuance of complimentary services and items, including cash and non-cash gifts. Such internal controls shall include, without limitation, the procedures by which the Franchise Licensee delegates to its employees the authority to approve the issuance of complimentary services and items; and the procedures by which conditions or limits, if any, which may apply to such authority are established and modified, including limits based on relationships between the authorizer and recipient, and shall further include effective provisions for audit purposes.

(c) All complimentary services or items shall be recorded as follows:

(1) A complimentary service or item provided directly to patrons in the normal course of a Franchise Licensee's business shall be recorded at an amount based upon the full retail price normally charged for such service or item by the Franchise Licensee;

(2) A complimentary service or item not offered for sale to patrons in the normal course of a Franchise Licensee's business but provided directly by the Franchise Licensee shall be recorded at an amount based upon the actual cost to the Franchise Licensee of providing such service or item;

(3) A complimentary service or item provided directly or indirectly to a patron on behalf of a Franchise Licensee by a third party not affiliated with the Franchise Licensee shall be recorded at an amount based upon the actual cost to the Franchise Licensee of having the third party provide such service or item;

(4) A complimentary service or item provided directly or indirectly to a patron on behalf of a Franchise Licensee by a third party who is affiliated with the Franchise Licensee shall be recorded by the Franchise Licensee in accordance with the provisions of this section as if the affiliated third party were the Franchise Licensee.

(d) The Franchise Licensee shall accumulate both the dollar amount of and number of persons provided with each category of complimentary services or items.

(1) A quarterly report shall be filed with the Gaming Division and Commissioner regarding the complimentary services or items provided.

(2) The complimentary services or items shall, at a minimum, be separated into categories for rooms, food, beverage, travel, cash gift, non-cash gift, and other services or items.

(e) Each Franchise Licensee shall record, on a daily basis, the name of each person provided with complimentary services or items, the category of service or item provided, the value, as calculated in accordance with (c) above, of the services or items provided to such person, and the person authorizing the issuance of such services or items. Upon request, a copy of this daily record shall be submitted to the Gaming Division. Excepted from this requirement are the individual names of persons authorizing or receiving:

(1) Each non-cash complimentary service or item that has a value, as calculated in accordance with (c) above, of $150.00 or less; and

(2) Each complimentary cash gift of $100.00 or less.

(f) Complimentary cash gifts shall include, without limitation:

(1) Public relations payments made for the purpose of resolving complaints by or disputes with casino patrons;

(2) Travel or walk money payments made for the purpose of enabling a patron to return home;

(3) Complimentary cash issued to patrons as a result of actual gaming activity; and

(4) Coupons issued and redeemed as part of a promotional program.

(g) Where complimentary cash or non-cash gifts have a value of $500.00 or more, the Franchise Licensee shall also:

(1) Record the address of the recipient; and

(2) Verify the identity of the recipient by:

(i) An examination of an identification credential that also contains a photograph or physical description of the recipient that is consistent with the actual appearance of the patron; and

(ii) Obtaining the patron's signature and comparing it and the patron's physical appearance to the signature and general physical description in a patron signature file; or

(iii) An authorized employee attesting to the patron’s identity; and

(3) Record the verification method.

(h) All complimentary cash gifts shall be disbursed directly to the patron by a cashier at the cashiers' cage after receipt of appropriate documentation or in any other manner approved by the Gaming Division.

(i) No Franchise Licensee shall permit any employee to authorize the issuance of a complimentary cash or non-cash gift with a value of $10,000.00 or more unless the employee is licensed and functioning as a key employee and the authorization is cosigned by a second employee licensed and functioning as a key employee.

(j) Each Franchise Licensee shall submit to the Gaming Division and Commissioner a report listing the name of each person who has received $10,000 or more in complimentary cash and non-cash gifts within any five-day period during the preceding month end. Such report shall be filed by the last business day of the following month and shall include the total amount of complimentary cash or non-cash gifts provided to each person.

Section 3.31.8 Standards for Credit

Unless otherwise specified, the requirements of this section shall apply to Tier I and Tier II Franchise Licensees.

(a) Computer Applications.

For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards in this section, as approved by the Gaming Division will be acceptable.

(b) Credit Standards

The following standards shall apply if the gaming operation authorizes and extends credit to customers, except for rim credit that shall be prohibited. At a minimum, a credit file, either in manual or computer form, with the following information, shall be maintained for customers that have credit limits or are issued credit, excluding personal checks, payroll checks, cashier's checks, and traveler's checks:

(1) Customer's name, current address, telephone number and signature;

(2) Verification of customer identity and signature of the cage cashier who performed such identification;

(3) The type of credentials examined to establish customer identity;

(4) Customer employment or self-employment information including name, address, phone number, years employed;

(5) Customer banking information including name and address of bank, bank account number upon which the customer is individually authorized to draw upon and where markers shall be drawn. Markers shall be drawn only on personal accounts verified and listed on the credit application.

(6) The name of each casino where the customer has a casino credit limit and the amount of credit outstanding;

(7) The amount of customer outstanding indebtedness other than casino debt;

(8) Verification of subparagraphs (b)(5) through (7) above via contact with the bank, directly with other casinos or a casino credit reporting agency, and other credit reporting agency, such as Experian, TWU, or Equifax, for non casino indebtedness;

(9) The customer credit limit requested and authorized; and

(10) The signature of person authorized by management to approve credit limits. Junket representatives, or any other employee whose authorization of credit would cause that employee to be acting in an incompatible function, shall be prohibited from authorizing credit.

(c) Payment Standards

(1) All payments received on outstanding markers shall be recorded in ink or other permanent form of recordation in the gaming operation's records;

(2) When partial payments are made on markers, they shall be evidenced by a multi-part receipt, or another equivalent document, that contains:

(i) The same preprinted number on all copies;

(ii) Customer's name;

(iii) Date of payment;

(iv) Dollar amount of payment (or remaining balance if a new marker is issued), and nature of settlement (cash, chips, cash equivalent, wire transfer);

(v) Signature of cage employee receiving payment; and

(vi) Number of markers on which partial payment is being made.

(3) Unless account balances are routinely confirmed on a random basis by the accounting or internal audit departments, or statements are mailed by a person independent of the credit transactions and collections thereon, and the department receiving payments cannot access cash, then the following standards shall apply:

(i) The routing procedures for payments by mail require they be received by a department independent of marker custody and collection;

(ii) Such receipts by mail shall be documented on a listing indicating the customer's name, amount of payment, nature of payment, if other than a check, and date payment was received; and

(iii) The total amount of the listing of mail receipts shall be reconciled with the total mail receipts recorded on the appropriate accountability form by the accounting department on a random basis at least three (3) days per month.

(4) Any customer having a marker returned to a Franchise Licensee unpaid by the customer’s bank shall have his credit privileges suspended at the Franchise Licensee’s casino until the debt is repaid in full or an acceptable explanation to restore credit is contained in the customer credit file.

(d) Access to Credit Documentation

Access to credit documentation shall be restricted as follows:

(1) Credit information shall be restricted to those positions of the Franchise Licensee that require access, are not incompatible in nature and are so authorized by management;

(2) Outstanding markers shall be stored in the casino cage and restricted to persons with no incompatible functions, and authorized by management; and

(3) Markers written-off shall be further restricted to persons specified by management, and who would not be acting in an incompatible function.

(e) Maintenance of Credit Documentation

(1) All extensions of credit, and subsequent payments shall be documented on a marker control form. All transactions affecting a customer outstanding indebtedness to the Franchise Licensee shall be recorded in chronological order in the customer

credit file, and credit transactions shall be segregated from safekeeping deposit transactions; and

(2) Records of all correspondence, transfers to and from outside agencies, and other documents related to issued markers shall be maintained.

(f) Write-off and Settlement Standards

(1) Markers written-off or settled shall be authorized in writing;

(2) Such authorizations shall be made by at least two management officials who are from departments independent of credit transactions;

(3) Only after reasonable collection efforts shall returned markers be considered uncollectible for accounting purposes. To be judged un-collectible, the following information shall be included in the customer credit file:

(i) Documentation of the Franchise Licensee's efforts to collect customers' outstanding markers and the reason why such collection efforts were unsuccessful; or

(ii) A letter from a collection agency representing the Franchise Licensee documenting the efforts to collect the customer outstanding markers, and the reasons why such collection efforts were unsuccessful, or were not pursued further.

(4) Junket representatives shall be prohibited from efforts to collect outstanding markers, approving write-offs of outstanding markers, or have any role in the collection or write-off procedures.

(g) Collection Agency Standards

(1) Where markers are transferred to a collection agency, a copy of the marker, and a receipt from the collection representative shall be obtained and maintained until the

original marker is returned or payment is received. Collection agencies selected by Franchise Licensees to collect outstanding markers shall be licensed by the Department of Consumer Affairs.

(2) A person independent of credit transactions and collections shall periodically review the documents in paragraph (g)(1) of this section.

(h) Junket Representative Credit Standards Independent of Franchise Licensee

(1) Junket representatives shall be prohibited from extending their personal credit, credit of their associates, or credit from any source to customers of a Franchise Licensee.

(2) Junket representatives shall be prohibited from placing their funds, funds of their associates or funds from any source, on deposit for the benefit of, or issue funds directly to, a customer of a Franchise Licensee to enable that customer to engage in gaming at an establishment of a Franchise Licensee.

(3) Junket representatives shall be prohibited from engaging in any credit function independent of a Franchise Licensee including, but not limited to, authorization, issuance, collection and write-offs.

(i) Accounting/Auditing Standards

A person independent of the cage, credit, and collection functions shall perform all of the following at least once per year:

(1) Ascertain compliance with credit limits and other established credit issuance procedures;

(2) Randomly, reconcile outstanding balances of both active and inactive accounts on the accounts receivable listing to individual credit records and related documents;

(3) Examine credit records to determine that appropriate collection efforts are being made and payments are being properly recorded; and

(4) For a minimum of five (5) days per month, partial payment receipts shall be subsequently reconciled to the total payments recorded by the cage for the day and shall be sequentially accounted for.

Section 3.31.9 Procedures for Wire Transfers-Out or Electronic Fund Transfers-Out

(a) Customer Request for Wire Transfer-Out or Electronic Funds Transfer-Out

Whenever a customer requests a Franchise Licensee to send funds by wire transfer or electronic funds transfer to a financial institution on behalf of the customer, the customer shall present to a cage cashier the cash, cash equivalents, casino check, chips, plaques, or slot tokens representing the amount sought to be transferred. In the case of an unused balance of a customer deposit, the remaining deposit balance may be transferred. Where funds requested to be wired out previously originated from a wire-in or electronic funds transfer-in, the funds requested to be wired out shall be handled in the following manner:

(1) Be returned only to the financial institution and account from which the funds originated, or

(2) Be transferred, once only, to an affiliate of the Franchise Licensee.

(b) Forms

The cage cashier shall obtain a Wire Transfer or Electronic Funds Transfer Request Form, a four-part serially pre-numbered form, and shall record thereon the information required below:

(1) The name of the patron;

(2) The date of the transaction;

(3) The amount of funds to be transferred out, stated in numbers and in words;

(4) The source of funds to be transferred (cash, cash equivalent, casino check, chips, plaques, slot tokens, customer deposit balance or previously wired in funds);

(5) The name and address of the financial institution to which the funds will be transferred and the account number to which the funds will be credited;

(6) The signature of the customer if the request is made in person at the cage or, if the request is made by mail, an indication that a signed written request from the customer is attached to the Wire Transfer or Electronic Funds Transfer Request Form;

(7) The signature of the cage cashier; and

(8) The signature of the supervising cage cashier.

(c) Verification of Customer Identity

Prior to completing the Wire Transfer or Electronic Funds Transfer Request Form, the cage cashier shall perform and maintain documentation supporting the following verifications:

(1) If the request is made in person, the cage cashier shall compare the customer’s signature on the Wire or Electronic Fund Transfer Request Form and the customer’s physical appearance with the signature on the customer’s identification credential and the customer’s photograph or physical description, if any, recorded on the identification credential; or

(2) If the request is made by mail, the cage cashier shall compare the signature on the attached written request with the signature in a customer’s signature card or file.

(d) After verifying the customer’s signature, the cage cashier shall present the Wire Transfer or Electronic Fund Transfer Request Form to the supervising cage cashier, who shall sign the form and retain the original, and duplicate copy. The cage cashier shall retain the triplicate copy of the form and shall give the customer the quadruplicate copy of the form as

evidence of the wire transfer or electronic fund transfer request.

(e) The supervising cage cashier shall immediately forward the original Wire Transfer or Electronic Funds Transfer Request Form to the casino accounting department as authorization to effect the transfer, and shall retain the duplicate copy for agreement with the triplicate copy held by the cage cashier. At the end of the gaming day, and upon agreement of the duplicate and triplicate copies of the Wire Transfer or Electronic Funds Transfer Request Form, the supervising cage cashier shall forward both copies of the form to the casino accounting department.

(f) Upon receipt of the original Wire Transfer or Electronic Funds Transfer Request Form, the casino accounting department shall authorize the wire or electronic funds transfer of the funds and shall either:

(1) Record on the original Wire Transfer or Electronic Funds Transfer Request Form:

(i) The name and title of the person contacted at the Franchise Licensee's bank;

(ii) The date and time that the wire transfer or electronic funds transfer was authorized; and

(iii) The signature of the casino accounting department employee authorizing the wire transfer or electronic funds transfer; or

(2) If the wire transfer or electronic funds transfer is authorized by means of a direct computer link between the Franchise Licensee and its bank, print a copy of the wire transfer or electronic funds transfer authorization from the computer screen which shall:

(i) Comply with the requirements of (f)(1)(ii and iii) above; and

(ii) Be attached to the original Wire Transfer or Electronic Funds Transfer Request Form.

(g) At the end of the gaming day, the casino accounting department shall compare the duplicate and triplicate copies of the Wire Transfer or Electronic Funds Transfer Request Form to the original.

Section 3.31.10 Wire Transfers-In/Electronic Fund Transfers-In, Acceptance and Accounting Controls

(a) Acceptance of Wire Transfers from Casino Customers

A Franchise Licensee shall only accept a wire transfer-in or an electronic funds transfer-in from or on behalf of a customer to:

(1) Establish a customer deposit account at the casino cage;

(2) Redeem an outstanding marker; or

(3) Make payment on a returned marker.

(b) Notification of Wire or Electronic Funds Transfer-In

Any wire transfer-in or electronic funds transfer-in authorized by this section shall be deposited into the operating account of the Franchise Licensee. The Franchise Licensee shall require that its bank notify the Franchise Licensee of the receipt and deposit of the wire transfer-in or electronic funds transfer-in by transmitting information to the casino cage by one of the following methods:

(1) Direct telephone notification between the Franchise Licensee's bank and cage cashier who shall record the information received;

(2) Direct hard copy communication sent by the Franchise Licensee's bank to the casino cage cashier, which document shall be dated, time-stamped and signed by the cage cashier receiving the notification;

(3) Direct computer access between the Franchise Licensee's bank and casino cage of the wire transfer-in or electronic funds transfer-in transaction as it is credited to the Franchise Licensee's operating account at its bank, which

transaction shall be printed from the computer screen and dated, time-stamped and signed by the cage cashier receiving the notification.

(c) Wire Transfer/Electronic Funds Transfer Log

The information received in subsection (b)(1-3) above shall be recorded in a Wire Transfer/Electronic Funds Transfer Log maintained in the cage. Information recorded in the Wire Transfer/Electronic Funds Transfer Log shall be, at a minimum, the following:

(1) A sequential number of the wire-in received, to be generated by cage personnel who participated in receiving the wire-in;

(2) The type of transfer, whether it is a wire transfer-in or an electronic funds transfer-in;

(3) The date and time of notification;

(4) The name of the Franchise Licensee's bank to which the funds were transferred;

(5) The actual amount of funds transferred to the operating account of the Franchise Licensee, stated in numbers and words;

(6) The name of the customer for whose benefit the funds were transferred;

(7) The name and address of the financial institution from which the funds were transferred and the account number from which the funds were debited;

(8) The method authorized under subparagraph (b) above by which the Franchise Licensee was notified of the receipt of the wire transfer-in or electronic funds transfer-in and, if by telephone, the name and title of the person at the Franchise Licensee's bank who made the telephone call; and

(9) The signature of the cage cashier receiving and recording the information required by this subsection.

(d) Recording the Transfer-In

For wire transfers-in entered into the log specified in subparagraph (c), the cage cashier shall:

(1) Determine the purpose of the transfer-in;

(2) Establish a customer deposit account by preparing the necessary documentation, if one does not exist, and place the funds on deposit and hold for the benefit of the customer;

(3) Post the funds transferred-in to the customer's credit account, after preparing the necessary documentation, when funds are determined to be used for redemption of outstanding markers or payment of returned markers.

Section 3.31.11 Management Information Systems and Application Software Controls

(a) General Controls for Gaming Hardware and Software.

(1) The Franchise Licensee shall make a vigorous effort to guarantee that the personnel applies, maintains, and respect the physical and logical security measures to prevent, unauthorized actions that may cause errors, compromise data, or compromise processing integrity:

(i) The Franchise Licensee shall ensure that all new gaming vendor hardware and software agreements or contracts contain language requiring the vendor to adhere to the Franchise Licensee's internal control standards applicable to the goods and services the vendor is providing;

(ii) Physical security measures shall be imposed on computer, computer terminals, and computer storage media to prevent unauthorized use or loss of data and data processing integrity;

(iii) Access to systems software, application programs and computer data shall be limited to authorized personnel;

(iv) Access to computer communications facilities, or the computer system, and information transmissions shall be limited to authorized personnel.

(v) The standards stipulated in paragraph (a)(1) of this section are applicable to all Departments within the gaming operation.

(2) The main computers, including hardware, software, and data files for each gaming application (e.g., keno and gaming machines) shall be in a secured area with access restricted to authorized persons, including vendors.

(3) Access to computer operations shall be restricted to authorized personnel to reduce the risk of loss of data or data processing integrity.

(4) A Management Information System (MIS) department organization chart shall be prepared to indicate the reporting hierarchy of the MIS department.

(5) Incompatible functions shall be adequately segregated, monitored to prevent errors in general information system procedures to go undetected, or to conceal fraud.

(6) Employees not assigned to the MIS department shall be precluded from having unrestricted access to secured computer areas.

(7) The computer systems, including application software, shall be secured through the use of passwords or other approved means where applicable. Franchise Licensee personnel or persons independent of the department being controlled shall assign and control access to system functions.

(8) Passwords shall be controlled as follows, unless the standards in this section provide otherwise:

(i) Each user shall have his/her own individual password;

(ii) Passwords shall be changed at least quarterly with changes documented; and

(iii) For computer systems that automatically force a password change on a quarterly basis, documentation shall be maintained listing the systems and the date the user was given access.

(9) Adequate business continuity procedures shall be in place that include:

(i) Daily backup of data files;

(ii) Backup of all programs;

(iii) Secured off-site storage of all backup data files and programs, or other adequate protection; and

(iv) Written recovery procedures, which are tested on a sample basis at least annually with documentation of results.

(10) Adequate MIS system documentation shall be maintained, including descriptions of hardware, software, operator manuals, and other documentation essential for the continuity and effective operation of the MIS department.

(b) Independence of Management Information Department Personnel

(1) The MIS personnel shall be independent of the gaming areas (e.g., cage, pit, count rooms). MIS Department personnel procedures and controls should be documented and responsibilities communicated.

(2) MIS personnel shall be precluded from unauthorized access to:

(i) Computers and terminals located in gaming areas;

(ii) Source documents; and

(iii) Live data files.

(3) MIS personnel shall be restricted from:

(i) Having unauthorized access to cash or other liquid assets; and

(ii) Initiating general or subsidiary ledger entries.

(c) Gaming Program Change Controls

Program changes for in-house developed systems should be documented as follows:

(1) The MIS Department supervisor shall review all requests for new programs, or program changes. Approvals to begin work on the program shall be documented;

(2) A written plan for implementing new and modified programs shall be maintained, shall include, at a minimum, the date the program is to be placed into service, the nature of the change, a description of procedures required to bring the new or modified program into service (conversion or input of data, installation procedures), and an indication of who is to perform all such procedures;

(3) Testing of new and modified programs shall be performed and documented prior to implementation; and

(4) A record of the final program or program changes, including evidence of user acceptance, date in service, programmer, and reason for changes, shall be documented and maintained.

(d) Security Logs

(1) If computer security logs are generated by the system, they shall be reviewed by MIS Department supervisory personnel for evidence of:

(i) Multiple attempts to log-on, or in the alternative, the system shall deny user access after three failed attempts to log-on;

(ii) Unauthorized changes to live data files; and

(iii) Any other unusual transactions, which shall be investigated by MIS Department supervisors.

(2) Subsection (d)1 shall not apply to personal computers.

(e) Remote Dial-Up.

(1) For each computerized gaming application that may be accessed remotely, the written system of internal control shall specifically address remote access procedures including, at a minimum:

(i) The type of gaming application, version number, the vendor's name, business address, if applicable;

(ii) The procedures used in establishing and using passwords to allow authorized vendor personnel to access the system through remote means;

(iii) The personnel involved and the procedures performed to enable the physical connection to the system when the vendor requires access through remote means;

(iv) The personnel involved and the procedures performed to ensure the physical connection is disabled when the remote access is not in use; and

(v) Any additional requirements relating to remote access specified by the Gaming Division or Commissioner.

(2) In the event of remote access, the Franchise Licensee shall prepare a record of the access to include:

(i) Name of the employee authorizing access;

(ii) Name of the authorized programmer or manufacturer representative;

(iii) Reason for remote access;

(iv) Description of work performed; and

(v) Date, time, and duration of access.

(f) Document Storage

Documents may be scanned or directly stored to an unalterable storage medium under the following conditions:

(1) The storage medium shall contain the exact duplicate of the original document.

(2) All documents stored on the storage medium shall be maintained with a detailed index containing the gaming operation department and date. This index shall be available to the Gaming Division and Commissioner upon request.

(3) Upon request and adequate notice by the Gaming Division or Commissioner, hardware, software, terminal, printer or other equipment necessary shall be made available to the Gaming Division or Commissioner so they can conduct their auditing procedures;

(4) Controls shall exist to ensure the accurate reproduction of records, up to and including, the printing of stored documents used for auditing purposes;

(5) The storage medium shall be retained for a minimum of five years; and

(6) Original documents must be retained in accordance with records retention requirements as set forth in Section 3A.4.

Section 3.31.12 Currency Transaction Reporting (CTR)

(a) The Bank Secrecy Act ("BSA") and the regulations promulgated thereunder, Public Act 91-508, as amended (codified in 12 U.S.C. 1829b, 12 U.S.C. 1951-1959, and 31 U.S.C. 5311-5332), and its regulations implementing Title II of the BSA (31 CFR, Part 103) are incorporated herein by reference.

(b) Reports

The Franchise Licensee shall file the "Currency Transaction Report by Casinos" (FINCEN Form 103) required by the

Bank Secrecy Act and its regulations not later than 15 days after the day on which the transaction that must be reported took place. All reports required shall be filed with the United States Internal Revenue Service, and in compliance with the provisions of the Puerto Rico Internal Revenue Code (13 L.P.R.A. 8553) and its regulation, with the Puerto Rico Department of the Treasury, unless otherwise provided; and they shall be placed at the disposal of the Gaming Division and the Commissioner at their request.

(c) The Commissioner and the Gaming Division shall have the authority to audit, with respect to the filing of the cash transactions reports, compliance with the Bank Secrecy Act and its regulations and the Internal Revenue Code and its regulations.

Section 3.31.13 Suspicious Activity Recording and Reporting

(a) The Bank Secrecy Act and the regulations promulgated thereunder relative to the filing of Suspicious Activity Reports by Casinos and Card Clubs (FinCen Form 102) are incorporated hereto by reference.

(b) Reports

All Franchise Licensees shall file with the Financial Crimes Enforcement Network (FinCEN) of the United States Department of the Treasury, in charge of enforcing the financial crimes laws, and with the Gaming Division a report of any suspicious transaction or any transactions connected with a possible violation of any law or regulation using the "Suspicious Activity Report by Casinos and Card Clubs" (FinCen Form 102) pursuant to the Bank Secrecy Act and its regulations. The Franchise Licensee may also file with FinCen a Suspicious Activity Report by Casinos, or on any other suspicious transaction that it believes is connected with a possible violation of any law or regulation but whose reporting is not required by this section.

(c)The Commissioner and the Gaming Division shall have the authority to audit compliance with the Bank Secrecy Act and its regulations, regarding the filing of suspicious activity reports on casinos.

CHAPTER 4

GAMING EQUIPMENT

Section 4.1 Approval of gaming equipment; Retention by the Company; Evidence of tampering.

(a) No gaming equipment and materials or any other related accessory may be used in a casino if the same has not been previously approved by the Company or if it was obtained from a person not authorized by the Company.

(b) All Franchise Licensees shall have available for the Company, or at the request of the Company shall submit for its review, inspection and approval, any gaming equipment and materials, and any other related accessories, including, but not limited to, the gaming tables, roulette wheels, roulette balls, drop boxes, big six wheels, Pai Gow shakers, scales, counting room equipment and counting machines, card dealing shoes, dice, cards, Pai Gow tiles, card reading devices, slot machines, prior to its initial use or after the same has been modified, replaced or moved, in a casino.

(c) The Company may, at its discretion, require from every manufacturer a prototype or sample of any model of gaming equipment or of any other device used in a casino, to remain in its custody as a control for comparison purposes.

(d) All Franchise Licensees or their employees or agents shall be required to immediately notify a Company representative about, and submit any evidence of, any gaming equipment or other device used in a casino, including, but not limited to, the gaming tables, roulette wheels, roulette balls, drop boxes, big six wheels, Pai Gow shakers, scales, counting room equipment and counting machines, card dealing shoes, dice, cards, Pai Gow tiles, card reading devices, slot machines, which has been, or there is reasonable suspicion that it may have been, tampered with or altered in such a way that the integrity or conformity of

the gaming equipment or the device may have affected its use in a casino.

(e) Each Franchise Licensee shall be responsible for ensuring that all gaming equipment or other devices found in its casino have been authorized by the Company.

(f) The Inspector may, at any time, demand that any gaming equipment or device be changed, or prohibit its use, if in the opinion of the Inspector the same does not provide the appropriate guarantees to the public.

(g) All Franchise Licensees, or their authorized employees or agents, who have retained any gaming equipment or any other article in accordance with the provisions of paragraph (d) above under a reasonable suspicion that said gaming equipment or article was tampered with or altered, or who has retained any device of those provided in section 4.2 of these Regulations under a reasonable suspicion that said device was introduced or used in the casino in violation of the Law or the Regulations, shall keep said equipment or article in the state in which it was found when it was retained, and shall deliver said equipment or article to a representative of the Company as soon as possible. An Inspector or other representative of the Company shall proceed to prepare a report.

(h) Each Franchise Licensee shall be responsible for ensuring that any gaming equipment or any other device and any evidence related to the same which should be submitted to a Company representative in accordance with paragraphs (d) or (g) above is maintained in a secure manner until the arrival of the Inspector or other authorized representative of the Company.

Section 4.2 Prohibited electronic, electrical and mechanical devices.

No person in a casino shall possess, with the intent to use, or in any way use, in any game, by himself or in concert with others, any calculator, computer or other electronic, electrical

or mechanical equipment to assist in projecting the outcome of any game or in keeping track of or analyzing the cards that have been dealt, the probabilities of change in any game, or the playing strategies to be used, except with written authorization from the Company specifically authorizing said person to use any of the above mentioned devices.

Section 4.3 Roulette - Equipment.

Unless the Company, at the request of a Franchise Licensee, authorizes otherwise, for the game of Roulette:

(a) The authorized roulette shall be the one known as "American" Roulette with thirty-six (36) numbers and the signs "0" and "00". The roulette known as "French", with thirty-six (36) numbers and only one "0," shall not be installed or operated in a casino without the prior written approval of the Company. These types of roulette that are of identical construction shall be made of wood, concave in shape, and with a diameter of approximately thirty-two (32) inches in its interior. The center of this concave circle has a disk that turns, also made of wood, and rests and spins on a central steel axis mounted on ball bearings so that it works smoothly and uninterruptedly. The top part of the disk or plate shall have a smooth, slightly convex surface. In the corners of this plate or disk the metal divisions shall be marked with the numbers 1 through 36 in red and black, alternately, as well as "0" and "00" in green. This disk is the only part of the roulette that spins and shall be operated only by pushing it with the hand. The use of a double layout roulette table is permitted.

(b) The balls used may be made of polished ivory or of a synthetic composition and may be of varied sizes.

(c) The layout shall have the numbers 1 through 36 and "O" and "OO" in their respective colors and the boxes for simple and double chance ("chanzas") wagers clearly marked.

(d) Each single layout roulette table shall also be equipped with a set of chips in five (5) different colors, one color for each player, in addition to one (1) or two (2) additional colors for payment of high denominations.

Section 4.4 Craps - Equipment.

Unless the Company, at the request of a Franchise Licensee, authorizes otherwise, for the game of craps:

(a) A rectangular or oblong shaped table measuring approximately four (4) or five (5) feet wide by eleven (11) or twelve (12) feet long, with a band around it of eight (8) or ten (10) inches in height, which shall be covered on its lateral surface with a rubber band shall be used. The table surface shall be covered with a cloth made of felt or some other similar material, on which the following wagers shall be imprinted: "Win or Pass Line," "Lose or Don't Pass Line" indicating that there is no play on one of the combinations double one (1-1) or double six (6-6), at the option of the Franchise Licensee; one "Field" play with the following numbers imprinted: 2-3-4-9-10-11-12; the numbers 2 and 12 must appear circled and labeled with the words "Pays Double"; a box for all "Craps" bets; separate boxes for any separate "Crap" bet; separate boxes for the "7" and "11" bets; boxes for "Come" and "Don't Come" bets. This last bet shall indicate that there is no play on one of the combinations of double one (1-1) or double six (6-6). All these wagers must appear on the layout, in addition to any other wagers that the Franchise Licensee may wish to offer to the players.

(b) According to the requirements of Section 4.16, the dice shall be made of soft polished hard transparent cellulose and must calibrate perfectly within a tolerance of not less than one thousandth of an inch. They shall be of equal size not less than 0.7550 of an inch nor more than 0.775 of an inch on each side; and their borders shall be razor-edged or semi-beveled, and the spots that mark the numbers shall be polished flush with the rest

of the dice ("flush spots"). No dice with polished or fully beveled edges, rounded corners or concave spots shall be permitted. The faces of each die shall contain spots from "1" to "6" respectively, and all the opposite sides shall total seven points. Five (5) dice shall be used, two (2) which shall be used for the conduct of play and the rest to substitute those when necessary. The dice shall be kept in full view of the players at all times and their color must be different from the color of the layout of the craps table.

(c) A stick made of bamboo, rattan or other light material for the stickman to pass the dice to the players.

(d) The chips in the necessary denominations.

(e) Notwithstanding the provisions in this section, the Company may authorize any other type of equipment it deems convenient.

Section 4.5 Blackjack - Equipment.

Unless the Company, at the request of a Franchise Licensee, authorizes otherwise, the following shall be used for the game of Blackjack:

(a) The standard table for the game of Blackjack. The surface of this table is in the shape of a half moon and is approximately seventy-five (75) inches long by thirty-nine (39) inches wide. It shall be covered with a layout on which boxes shall be imprinted for seven (7) players, in addition to the area for the croupier. It shall also have imprinted the following phrases: "Blackjack Pays 3 to 2" and "Croupier must stand on 17 and must draw to 16".

(b) A dealing shoe to distribute the cards and/or an automatic shuffling device.

(c) A discard rack.

(d) Subject to the requirements of section 4.16, from one (1) up to eight (8) sets of cards known as “American” containing fifty-two (52) cards and two (2) jokers, one shall be used to

cover the last card of the stack and the other shall be used to cut the stack

(e) An adequate amount of chips for the conduct of the game.

Section 4.6 Reserved.

Section 4.7 Baccarat - Equipment.

Unless the Company, at the request of a Franchise Licensee, authorizes otherwise, the following shall be used for the game of Baccarat:

(a) A Baccarat table of oblong shape, approximately eight (8) feet long by four and one half (4 1/2) feet wide. The playing surface shall be covered with felt and shall be divided into sections. This table may have from twelve (12) to sixteen (16) numbered sections, one for each player, so that there may be no confusion as to whom the wager belongs; in addition to an area for the croupiers. The table shall also have a receptacle necessary for placing the discards.

(b) A palette to pass the cards and collect chips. (Its use is not indispensable).

(c) A dealing shoe for the cards, which allows the removal of one covered card at a time. This shoe shall be made of transparent material.

(d) The necessary chips.

(e) Subject to the requirements of section 4.16, eight (8) decks of fifty-two cards, the type known as "American" shuffled together; plus two (2) blank jokers.

Section 4.8 Mini-Baccarat - Equipment.

Unless the Company, at the request of a Franchise Licensee, authorizes otherwise, the following shall be used for the game of Mini-Baccarat:

(a) A standard table as in the game of Blackjack. The surface of this table is in a half moon shape approximately

seventy-five (75) inches long by thirty-nine (39) inches wide, covered with a cloth on which the boxes for the players and also a box corresponding to the banker are imprinted. Approximately at the center of the same there shall be imprinted the phrase "Tie" "Nine for One" "Tie" or "Tie" "Eight to One" "Tie" and directly underneath the numbers 1 to 7. (Any of these two phrases is equivalent to the correct payout also approved for the game of Baccarat). At the other extreme of the table the numbers 1 to 7 shall appear again, facing the croupier. Between these numbers and those at the center of the table, there shall appear a dividing line, on one side of which the word "player" shall appear, and on the other side, the work "banker". A diagram is attached and is made to form a part of these Regulations.

(b) A dealing shoe to distribute the cards and a discard rack.

(c) Subject to the requirements of section 4.16 and at the discretion of the Franchise Licensee, six (6) or eight (8) decks of fifty-two (52) cards, of the type known as “American” cards, plus two (2) jokers, one of which shall be used to cover the last card of the stack and another which shall be used to cut the stack.

(d) An adequate amount of chips for the conduct of the game.

Section 4.9 Caribbean Stud Poker - Equipment.

Unless the Company, at the request of a Franchise Licensee, approves otherwise:

(a) Caribbean Stud Poker shall be played on a table that has betting positions for six (6) or seven (7) players on one side of the table and a place for the croupier on the opposite side.

(b) The cloth covering the Caribbean Stud Poker table (the layout) shall be previously approved by the Company and shall have imprinted thereon, at a minimum, the following:

(1) The name of the Franchise Licensee;

(2) A separate designated betting area at each betting position for the placement of "Ante" wagers;

(3) A separate designated betting area located immediately behind each "Ante" betting area for the placement of "Bet" wagers; and

(4) The inscriptions "Payout Limit of five thousand dollars ($5,000.00) per Hand on Bet Wagers" and "Bet Wager Void Unless Croupier has Ace/King or Better," which in Spanish would be "Límite de Pago de cinco mil dólares ($5,000.00) por Mano en Apuestas Bet" and "Apuesta Bet Nula a Menos que el croupier tenga As/Rey o Mejor". If the maximum authorized wager per play is equal to or less than five thousand dollars ($5,000.00) or, if the maximum authorized wager exceeds five thousand dollars ($5,000.00), those inscriptions that may be required by the Company.

(c) Each Caribbean Stud Poker table shall have a sign that explains, in a manner approved by the Company, the details of the five thousand dollar ($5,000.00) payout limit authorized by section 3.20.10 of these Regulations, or any other payout limit higher than five thousand dollars ($5,000.00), which has been previously approved by the Company.

(d) Each Caribbean Stud Poker table shall have a drop box and a box for tips both attached to the same side of the table, but on the opposite side of the croupier in those locations approved by the Company.

(e) Each Caribbean Stud Poker table shall have for each betting position an acceptor device for the placement of progressive wagers mounted directly in front of the respective "Ante" betting area. Each acceptor device shall have a light that shall light up upon insertion and acceptance of a gaming chip.

(f) Each Caribbean Stud Poker table shall have a controller panel located in an area of the table as approved by the Company. The controller panel shall be equipped with a "lock-out" button which, once activated by the croupier as set forth in section 3.20.5 of these Regulations, will prevent any player from depositing a gaming chip in the acceptor device.

(g) Each Caribbean Stud Poker table shall be equipped with a mechanical, electrical or electronic table inventory return device which shall permit all gaming chips deposited into the acceptor devices referred to in paragraph (e) of this section to be collected and immediately returned to a designated area within the table inventory container prior to the dealing of a hand. The table inventory return device shall be designed and constructed to contain any feature the Company may require to maintain the security and integrity of the game. The procedure for the operation of all functions of the table inventory return device shall be submitted to and approved by the Company.

(h) Except as provided in paragraph (i) of this section and subject to the requirements of section 4.16, Caribbean Stud Poker shall be played with a deck of fifty-two (52) cards with backs of the same color and design, an additional card of yellow or green color which shall be used in accordance with the procedures provided in section 3.20.2 of these Regulations.

(i) If, with the prior approval of the Company, an automated shuffling device is used, a Franchise Licensee shall be permitted to use a second deck of cards to play the game, provided that:

(1) Each deck of cards complies with the requirements provided in paragraph (h) of this section;

(2) The backs of the cards in the two decks are of a different color;

(3) A deck of cards is being shuffled by the automated shuffling device, while the other deck is being dealt or used to play the game;

(4) Both decks of cards are being continuously alternated in and out of play, with each deck being used for every other round of play; and

(5) Only cards of the same deck may be placed in the discard rack at any given time.

(j) Notwithstanding the provisions of this section, the Company may authorize another type of equipment it considers convenient.

Section 4.10 Let it Ride - Equipment.

Unless the Company, at the request of a Franchise Licensee, authorizes otherwise:

(a) A table shall be used having betting positions for seven (7) players on one side of the table and a place for the croupier on the opposite side.

(b) The cloth covering a table of Let it Ride (the layout) shall be approved in advance by the Company and shall have imprinted thereon, at a minimum, the following:

(1) The name of the Franchise Licensee;

(2) Three separate betting areas at each betting position designated for the placement of wagers;

(3) A separate area at each betting position designated for the placement of the cards of each player in accordance with the provisions of section 3.21.4 of these Regulations;

(4) A separate betting area designated for the placement of the community cards;

(5) The payout odds for all authorized wagers;

(6) An inscription indicating the payout limit per hand established by the Franchise Licensee in accordance with the provisions of section 3.21.9 of these Regulations or a general

inscription indicating that the game is subject to the payout limits indicated on the sign.

(c) Each Let it Ride table shall have a sign that explains, in a manner approved by the Company the details of the payout limit established in accordance with the provisions of section 3.21.9 of these Regulations and if a general inscription is used in accordance with the provisions of paragraph (b) of this section, the sign shall also indicate the established payout limit.

(d) Each Let it Ride table shall have a drop box and a tip box both attached to the same side of the table, but on the side opposite to the croupier, in those locations approved by the Company.

(e) Except as provided in paragraph (f) of this section and subject to the requirements of section 4.16, Let it Ride shall be played with a deck of fifty-two (52) cards with backs of the same color and design and an additional card of yellow or green color which shall be used in accordance with the procedures provided in section 3.21.2 of these Regulations.

(f) If, with prior approval of the Company, an automated shuffling device is used, the Franchise Licensee shall be permitted to use a second deck of cards to play, provided that:

(1) Each deck of cards complies with the requirements provided in paragraph (e) of this section;

(2) The backs of the cards in the two decks are of a different color;

(3) A deck of cards is being shuffled by the automated shuffling device, while the other deck is being dealt or used to play the game;

(4) Both decks of cards are being continuously alternated in and out of play, with each deck being used for every other round of play; and

(5) Only cards of the same deck may be placed in the discard rack at any given time.

(g) Notwithstanding the provisions of this section, the Company may authorize another type of equipment it considers convenient.

Section 4.11 Big Six Wheel - Equipment.

Unless the Company, at the request of a Franchise Licensee, authorizes otherwise:

(a) The game of "Big Six Wheel" shall be conducted at a wheel of circular shape and no less than five feet in diameter. The rim of the wheel shall be divided into fifty-four (54) equally spaced sections with twenty-three (23) sections containing a one dollar ($1.00) bill, fifteen (15) sections containing a two dollar ($2.00) bill, eight (8) sections containing a five dollar ($5.00) bill, four (4) sections containing a ten dollar ($10.00) bill, two (2) sections containing a twenty dollar ($20.00) bill, one (1) section containing the logo of the casino and one (1) section containing a photograph or picture of a joker. Each one of said sections shall be covered with glass. The sections shall be arranged around the rim of the wheel following a diagram approved by the Company.

(b) Each Big Six Wheel table shall have the name of the casino imprinted on the cloth covering it and shall have a drop box and a tip box attached to it at the locations approved by the Company.

(c) The cloth covering each Big Six Wheel table shall be marked with insignias of a one dollar ($1.00) bill, a two dollar ($2.00) bill, a five dollar ($5.00) bill, a ten dollar ($10.00) bill, a twenty dollar ($20.00) bill, a joker and the logo of the casino that shall be used by players to place their bets at this game.

(d) Notwithstanding the provisions of this section, the Company may authorize any other type of equipment it considers convenient.

Section 4.12 Pai Gow Poker - Equipment.

(a) Pai Gow Poker shall be played at a table having on one side places for the players and on the opposite side a place for the croupier. The cloth covering the Pai Gow Poker table shall have imprinted thereon the name of the casino.

(b) Each Pai Gow Poker layout shall be previously approved by the Company and shall contain, at a minimum, the following:

(1) Six (6) separate areas designated for the placement of the wagers of the players at the table with each area being numbered one (1) through six (6);

(2) Two (2) separate areas located below each betting area which shall be designated for the placement of the high and second highest or low hands of that player;

(3) If the Franchise Licensee offers the additional wager as authorized in section 3.23.14 of these Regulations, a separate area for each player, designated for the placement of that additional wager by each player, as well as the payout odds for the additional wager; and

(4) Two (2) separate areas designated for the placement of the high and second highest or low hands of the croupier.

(c) Each Pai Gow Poker table shall have a drop box and tip box both attached to it on the same side of the table, but on the side opposite to the croupier at a location approved by the Company.

(d) Except as provided in paragraph (e) of this section, Pai Gow Poker shall be played with a shaker, to be known as a "Pai Gow Poker shaker", which shall be used to shake three (3) dice in the form of a perfect cube and measuring not less than 0.637 inches nor more than 0.643 inches on each side, before each

hand of Pai Gow Poker is dealt to determine the starting position for the dealing or delivery of the cards. The Pai Gow Poker shaker shall be designed and constructed to contain any feature the Company may require to maintain the integrity of the game and shall, at a minimum, adhere to the following specifications:

(1) The Pai Gow Poker shaker shall be large enough to house three (3) dice and shall be designed so as to prevent the dice from being seen while the croupier is shaking them; and

(2) The Pai Gow Poker shaker shall have imprinted or impressed thereon the name or logo of the casino.

(e) As an alternative to the use of the shaker and dice described in paragraph (d) of this section, a Franchise Licensee may determine the starting position for dealing the cards in Pai Gow Poker using a computerized random number generator which automatically chooses and displays a number from one (1) to seven (7), inclusive. Every computerized random number generator that a Franchise Licensee proposes to use shall have to be previously approved by the Company.

(f) Except as provided in paragraph (b) of this section and subject to the requirements of section 4.16, Pai Gow Poker shall be played with a deck of fifty-two (52) cars with backs of the same color and design, one solid yellow or green cutting card and a solid yellow or green cover card which shall be used in accordance with the procedures provided in section 3.23.4 of these Regulations. The deck of cards used in Pai Gow Poker shall include one joker. Nothing in this section shall be understood as prohibiting the Franchise Licensee from using decks of cards which are manufactured with two (2) jokers provided that only one (1) joker shall be used for the game of Pai Gow Poker.

(g) If, with the prior approval of the Company, an automated shuffling device is used, the Franchise Licensee shall be permitted to use a second deck of cards to play the game, provided that:

(1) Each deck of cards complies with the requirements of paragraph (f) of this section;

(2) The backs of the cards in the two decks are of a different color;

(3) One deck is being shuffled by the automated card shuffling device, while the other deck is being dealt or used to play the game;

(4) Both decks of cards are continuously alternated in and out of play, with each deck being used for every other round of play; and

(5) Only cards from the same deck shall be placed in the discard rack at any given time.

(h) Notwithstanding the provisions of this section, the Company may authorize another type of equipment that it deems convenient.

Section 4.13 Reserved - Pai Gow Tiles - Equipment.

Section 4.14 Reserved - Easy Roll - Equipment

Section 4.15 Reserved – Paulson Draw Poker- Equipment

Section 4.16 Reserved – Keno- Equipment

Section 4.17 Seven Card Stud Poker – Equipment

Unless the Company, at the request of a Franchise Licensee, authorizes otherwise, for the game of Seven card stud

(a) A standard table for the Seven Card Stud game; this table shall be rectangular or oblong and shall measure approximately forty-four (44) inches wide by eighty-four (84) inches long;

(b) The cloth covering the Seven Card Stud Poker table must be approved by the Company, and as a minimum requirement, must have imprinted thereon the name of the casino.

(c) For the Seven Card Stud game, a set of cards known as "American" consisting of fifty-two (52) cards and two (2) jokers will be used, one of which will be used to cover the last card of the deck and the other to "cut" the deck, however:

(i) Two (2) decks of cards will be used whose reverses shall be of different colors.

(ii) Both decks must be alternated continuously.

(iii) Only the cards of one deck will be set on the discard space at any time.

(d) A receiver for discarding.

(e) Every Seven Card Stud Poker table shall have a drop box and a box for tips, both attached at the same side of the table, but opposite side of the croupier, on sites approved by the Company.

Section 4.18 Texas Hold'em Poker – Equipment

Unless the Company, at the request of a Franchise Licensee, authorizes otherwise, for the game of Texas Hold'em Poker:

(a) A standard table for the Texas Hold'em game; said table shall be rectangular or oblong and shall measure approximately forty-four (44) inches wide by one hundred five (105) inches long.

(b) The cloth covering the Texas Hold'em table must be approved by the Company, and as a minimum requirement, must have imprinted thereon the name of the casino.

(c) For the Texas Hold'em game, a set of cards known as "American" consisting of fifty-two (52) cards and two (2) jokers will be used; one will be used to cover the last card of the deck and the other to "cut" the deck, however:

(i) Two (2) decks of cards will be used whose reverses shall be of different colors.

(ii) Both decks must be alternated continuously.

(iii) Only the cards of one deck will be set on the discard space at any time.

(d) A receiver for discarding.

(e) A chip marked with the words "Small Blind", and a larger chip marked with the words "Big Blind".

(f) Every Texas Hold'em table shall have a drop box and a box for tips, both attached at the same side of the table, but opposite side of the croupier, on sites approved by the Company.

Section 4.19 Reserved - Three Way Action – Equipment

Section 4.20 Triple Shot – Equipment

Unless the Company, at the request of a Franchise Licensee, authorizes otherwise, for the game of Triple Shot:

(a) A standard table for the game of Triple Shot. The surface of this table is in the shape of a half moon and is approximately seventy-five (75) inches long by thirty-nine (39) inches wide.

(b) The cloth covering the Triple Shot table must be approved by the Company, and as a minimum requirement, must have imprinted the following:

(i) The Franchise Licensee's name.

(ii) Three slots to place each player's card and for the bets.

(iii) An inscription of the pay table for poker bets.

(c) For the Triple Shot game, a set of cards known as "American" consisting of fifty-two (52) cards and two (2) jokers will be used; one will be used to cover the last card of the deck and the other to "cut" the deck, however:

(i) Two (2) decks of cards will be used whose reverses shall be of different colors.

(ii) Both decks must be alternated continuously.

(iii) Only the cards of one deck will be set on the discard space at any time.

(d) A receiver for discarding.

(e) Every Triple Shot table shall have a drop box and a box for tips, both attached at the same side of the table, but opposite side of the croupier, on sites approved by the Company.

Section 4.21 Three Card Poker – Equipment

Unless the Company, at the request of a Franchise Licensee, authorizes otherwise, for the game of Three Card Poker:

(a) A standard table for the game of Three Card Poker. The surface of this table is in the shape of a half moon and is approximately seventy-five (75) inches long by thirty-nine (39) inches wide.

(b) The cloth covering the Three Card Poker table must be approved by the Company, and as a minimum requirement, must have imprinted the following:

(1) The Franchise Licensee's name.

(2) A separate slots at each betting position designed to place each player's cards.

(3) A separate slot at each betting position designed for the "Ante" bet.

(4) A separate slot at each betting position designed for the "Play" bet.

(5) A separate slot at each betting position designed for the "Pair Plus" bet.

(c) For the Three Card Poker game, a set of cards known as "American" consisting of fifty-two (52) cards and two (2) jokers will be used; one will be used to cover the last card of the deck and the other to "cut" the deck, however:

(i) Two (2) decks of cards will be used whose reverses shall be of different colors.

(ii) Both decks must be alternated continuously.

(iii) Only the cards of one deck will be set on the discard space at any time.

(d) A receiver for discarding.

(e) Every Triple Shot table shall have a drop box and a box for tips, both attached at the same side of the table, but opposite side of the croupier, on sites approved by the Company.

SUBCHAPTER - SLOT MACHINES

Section 4.22 Possession of Slot Machines.

(a) It shall be illegal for any person to have in his possession any slot machine in Puerto Rico except when:

(1) The slot machine is in the possession of persons, or any employee or agent who acts on their behalf, and exclusively for the purposes indicated below:

(i) The Company, for any purpose authorized by the Act or the Regulations;

(ii) A Franchise Licensee, for the purpose of maintaining for its use or using said slot machines in the operation of its authorized casino;

(iii) A service industry that possess a current license issued by the Company, for the purpose of repairing or servicing the slot machines;

(iv) A manufacturer or distributor of slot machines which holds a current license issued by the Company for the purpose of exhibiting or demonstrating them, provided that it has obtained the prior approval of the Company;

(v) A common carrier, for the purpose of transporting said slot machines in accordance with section 4.22.1 of these Regulations; or

(vi) Any other person that the Company may approve after finding that the possession of slot

machines by said person in Puerto Rico is necessary and appropriate to comply with the goals and objectives of the Act and the Regulations;

(2) The person so authorized under subparagraph (1) above complies with all the provisions of the Act and the Regulations;

(3) The Company has issued, at the request of an authorized person, a license for said slot machine; and

(4) The slot machine is kept only in those places and under the conditions that have been approved in writing by the Company.

Section 4.22.1 Transportation of Slot Machines To, Within and Outside of Puerto Rico.

(a) Before transporting or moving any slot machine into Puerto Rico, or within Puerto Rico from an authorized location to another authorized location in, or outside of Puerto Rico, the manufacturer, distributor, seller or any other person who causes such slot machine to be transported or moved shall, at least fifteen (15) days prior to any movement or transportation of any slot machine, notify the Company in writing and submit the following information:

(1) The full name and address of the person transporting or moving said slot machine;

(2) The full name and address of the person who owns said slot machine, including the name of any new owner in the event that title is being transferred in conjunction with its transportation or movement;

(3) The method of shipment or movement and the name of the carrier or carriers;

(4) The full name and address of the person to whom the slot machine is being sent and the destination of said slot machine, if different from said address;

(5) The quantity of slot machines being transported or moved and the serial number, denomination and description of each slot machine;

(6) The date and hour of delivery to or removal from any authorized location in Puerto Rico;

(7) The port of entry or exit; and

(8) The reason for transporting the slot machine.

(b) Each Franchise Licensee shall obtain from the Company its approval for and provide notice of the movement of any slot machine into or out of its casino as required by paragraph (e) of section 4.22.1 of these Regulations. A record of the movement of the slot machines shall be kept in accordance with paragraph (c) of section 5.9 of these Regulations.

(c) The person who transports or moves any slot machine shall provide to the common carrier an invoice, and at least one copy of the same shall be kept with the slot machine at all times during the shipping process. Said invoice shall contain the following information:

(1) The serial number of the machine that is being transported;

(2) The full name and address of the person from whom the slot machine was obtained;

(3) The full name and address of the person to whom the machine is being sent; and

(4) The dates of shipment.

Section 4.22.2 Master List of Approved Slot Machines; Movement of Gaming Equipment.

(a) Any Franchise Licensee of a new casino franchise shall submit to the Company twenty (20) days before commencement of operations a comprehensive list of the slot machines and bill validators in its casino (The Slot Machine Master List).

(b) Any Franchise Licensee that, on the effective date of these Regulations, is the owner or lessee of the slot machines in

its casino shall submit to the Company within the next fifteen (15) days after these Regulations go into effect, a list which includes all the slot machines and bill validators located in its casino (the Slot Machine Master List).

(c) Any Franchise Licensee that, on the effective date of these Regulations, operates a casino where the Company is the owner or lessee of the slot machines in its casino shall submit to the Company within fifteen (15) days before the purchase of the slot machines a list that includes all the slot machines and bill validators located in its casino (the of Slot Machine Master List).

(d) Each Franchise Licensee shall assign consecutively a location number to each slot machine. Each Slot Machine Master List shall consecutively list each slot machine and any bill validator by location number, and, at a minimum, shall contain the following information:

(1) The date on which the list was prepared;

(2) A description of each slot machine by:

(i) Asset, model and serial number;

(ii) Computer program number;

(iii) Denomination; and

(iv) Manufacturer and machine type, particularly specifying if the machine has a bill validator and if it is a machine with a progressive system;

(3) The location of each slot stool; and

(4) Any other information as the Company may require.

(e) Each time that a Franchise Licensee wants to bring into, remove from or move within a casino any slot machine or bill validator, the Franchise Licensee must request in writing from the Company at least fifteen (15) days prior to the movement of any slot machine, and obtain the prior written approval of the

Company. Every request for the movement of any slot machine shall contain the following information:

(1) The serial number of the manufacturer and the asset number of the slot machine(s) and/or bill validator(s) that it wishes to move;

(2) The date and hour in which it wishes to carry out the movement of the slot machine(s) and/or bill validator(s);

(3) The present location of each slot machine and/or bill validator that it wishes to move;

(4) The location(s) to which it wishes to move the slot machine(s) and/or bill validator(s); and

(5) If it desires to move slot machines with a progressive system, the amount accumulated for the progressive jackpot; provided that the accumulated amount in excess of the base, shall be distributed among the link systems that are operating on the property.

(f) An authorized agent of the Company shall be present at all movements of any slot machine and bill validator.

(g) Immediately after each slot machine and bill validator is placed in, removed from or moved within a casino, the Franchise Licensee shall submit to the Company an updated Slot Machine Master List if the move causes any change in the information contained on the most recent version of the applicable list that was submitted to the Company.

Section 4.22.3 Official Seals.

(a) Each slot machine located within Puerto Rico shall have a seal affixed to it by the Company that shall be located on either side of the slot machine.

(b) Each slot machine that will be used for gaming shall have a "gaming seal" affixed thereto and each slot machine that will not be used for gaming shall have a "non-gaming" seal affixed thereto.

(c) Each slot machine being transported into Puerto Rico shall have the appropriate seal affixed to them by the Company as soon as practical after its entry into Puerto Rico. Each slot machine being transported out of Puerto Rico may have its seals removed by the Company before it leaves Puerto Rico.

Section 4.22.4 Slot Machines and Bill Validators; Labeling; Meters; Other Devices.

(a) Unless otherwise authorized by the Company, each slot machine in a casino shall have the following identifying features:

(1) The serial number of the manufacturer permanently imprinted, impressed, affixed or engraved on the front panel of the frame housing the reel mechanism or, in the case of a completely electronic machine, on the logic board or boards;

(2) The asset number, at least two (2) inches in height, permanently imprinted, impressed, affixed or engraved by the Franchise Licensee on the outside of the cabinet of the machine, provided that any asset number shall begin with a two (2) digit prefix assigned by the Company to each Franchise Licensee, followed by a dash and a four digit suffix assigned by the Franchise Licensee;

(3) A sign located in a conspicuous place on the front of the slot machine which lights up automatically and a bell which rings automatically when a player wins a jackpot that is not automatically and totally paid by the slot machine, advising the player to see an attendant to receive full payment;

(4) A mechanical, electrical or electronic device that automatically precludes a player from playing or operating the slot machine after winning a jackpot which requires a manual payout and that, under these circumstances, the slot machine be reset by an attendant;

(5) A display on the front of the slot machine that includes the information required in paragraph (b) of this section;

(6) A light on the pedestal above the slot machine which automatically turns on when the door to the slot machine or any device connected thereto that may affect the operation of the slot machine is opened;

(7) A location number, at least two (2) inches in height, affixed to the outside of the machine and visible to the Franchise Licensee's closed circuit camera coverage system; and

(8) The serial number of the manufacturer affixed to the outside of the slot machine in a location approved by the Company.

(b) Unless otherwise authorized by the Company, each bill validator shall have the following identifying features:

(1) The asset number which shall be permanently imprinted, affixed or engraved on the outside of the cabinet of the bill validator or the slot machine to which it is attached. The asset number shall be in a conspicuous place and visible to the persons removing or replacing the slot cash storage box of the bill validator of the slot machine, and shall correspond to the asset number affixed to the slot machine in accordance with paragraph (a)(2) above of this section. The size and location of the asset number shall be previously approved by the Company.

(2) A display on the front of the bill validator that clearly indicates the denomination of the currency inserted therein;

(3) A display on the front of the bill validator that clearly indicates the amount of coins or tokens dispensed by the slot machine hopper after currency has been inserted and accepted; and

(4) A display on the front of the bill validator that indicates any malfunction or which informs the patron that the bill validator is out of service.

(c) Unless otherwise authorized by the Company, each slot machine shall be equipped with the following:

(1) A mechanical, electrical or electronic device, to be known as an "in-meter," that continuously and automatically counts the number of coins or tokens deposited by patrons into slot machine to activate play;

(2) A mechanical, electrical or electronic device, to be known as a "drop-meter," that continuously and automatically counts the number of coins or tokens that are dropped into the slot coin drop bucket or slot token drop bucket of the slot machine, as the case may be;

(3) Each hopper of a slot machine shall have a separate mechanical, electrical or electronic device, to be known as an "out meter" or "jackpot meter," that continuously and automatically counts the number of coins or tokens that are automatically paid by the slot machine from the hopper and indicates the total number so counted;

(4) A mechanical, electrical or electronic device, to be known as a "manual jackpot meter," that continuously and automatically records the number of coins or tokens that are paid manually;

(5) A mechanical, electrical or electronic device, to be known as the "win meter," visible from the front of the slot machine, that, when a player hits the winning combination, informs the player of the number of coins or tokens that have been paid for that round to the player by the machine from the hopper.

(6) A mechanical, electrical or electronic device, to be known as the "door meter," that continuously and automatically counts each time that the door of the slot machine is opened.

(7) An on/off switch located at an accessible place in the interior of the slot machine that will control the current used in the operation of the slot machine.

(8) An optical device in the door that disables the gaming mode of the slot machine while the main door is open.

(d) Unless otherwise authorized by the Company, each slot machine that has a bill validator attached thereto shall also be equipped with the mechanical, electrical and electronic devices that are required in accordance with section 5.7 of these Regulations.

(e) Unless otherwise authorized by the Company, in addition to the above listed requirements, any slot machine in an authorized casino shall have such devices, equipment, features and capabilities as may be required in the jurisdiction of New Jersey and any other that the Company may require for that particular model of slot machine.

Section 4.22.5 Slot Machine Areas; Floor Plans.

(a) The slot machines used in the conduct of gaming shall be located and arranged in a casino in such a manner so as to:

(1) Promote optimum security for the casino operation;

(2) Avoid deception or frequent distraction to players at gaming tables;

(3) Maximize the comfort of the patrons;

(4) Create and maintain a proper playing environment in the casino; and

(5) Encourage and preserve competition in the casino operations by assuring that a variety of gaming opportunities is offered to the public.

(b) Each Franchise Licensee shall be permitted to install and operate a slot machine without a stool at a distance of approximately five (5) feet between each slot machine and, for each slot machine with a stool it shall allow an additional foot,

except at the emergency exits of the casino which shall be ruled by the provisions of the Fire Department of Puerto Rico.

(c) When one row of slot machines is lined up back to back with another row of slot machines, the two rows shall be separated by a metal barrier or other type of barrier, approved by the Company, which will prevent a person from placing his hand between the rows of machines.

(d) All Franchise Licensees or franchise applicants shall submit for the approval of the Company a detailed floor plan, drawn to scale, depicting the proposed arrangement of the slot machines, stools and gaming tables.

(e) Any submitted floor plan which complies with the requirements of this section shall be deemed approved by the Company unless the applicant or Franchise Licensee is notified in writing to the contrary within ten (10) days of its filing.

Section 4.22.6 Testing and Approval of Slot Machines.

(a) No slot machine shall be used for gaming purposes unless it is identical in all mechanical, electrical, electronic and other aspects to the model thereof that the Company has approved and authorized by means of a license for its use.

(b) Any manufacturer or distributor proposing to offer slot machines for use in a casino in Puerto Rico shall apply to the Company for a license for each model of machine to be offered; provided, that except as otherwise authorized by the Company, only and exclusively those slot machine models that have been examined, evaluated and finally approved in the New Jersey jurisdiction shall be permitted in Puerto Rico; provided, however, that the Company, at its discretion, may approve machine models which are in their testing period in the jurisdiction of New Jersey, as long as said models do not exceed five percent (5%) of the total of machines in Puerto Rico.

(c) A copy of each one of the prints, schematics, block diagrams, circuit analyses, and a complete explanation of the

method of operation, odds determination for wagers and any other pertinent information with respect to said machine model shall be submitted together with the license application for said slot machine model.

(d) All slot machines approved for use in Puerto Rico shall be tested by an independent laboratory authorized by the Gaming Division.

Section 4.22.7 Operation of a Slot Machine in Conformity with an Approved Model.

(a) The responsibility for assembly and initial operation of each slot machine in accordance with the manner approved by the Company rests with the manufacturer or distributor together with the Franchise Licensee. Changes in the manner of final assembly or initial operation of a slot machine will be deemed improper unless prior to the institution of the change the manufacturer or distributor obtains the approval of the Company.

(b) Each slot machine shall, at all times, be operated and played in accordance with the representations made to the Company and the public.

Section 4.22.8 Disciplinary Proceedings.

Any changes or modifications found in a slot machine that have not been previously approved by the Company, or any circuit or circuitry of any kind or manner which changes or alters the manner of operation from that which was approved by the Company or that was represented to the public, or any other circuitry changing or altering the manner and mode of operation that was not discovered during the approval process of said model, or any other violation of these Regulations shall constitute just cause for the Company to seal the slot machine and request from the applicable authority the investigation and seizure of any slot machines which are found in the possession of a Franchise Licensee or any other holder of a license or authorization granted by the Company and, further, shall constitute just cause

to limit, condition, restrict, suspend, or revoke the franchise of a Franchise Licensee or the authorization of any holder of a license issued by the Company, or to fine said Franchise Licensee or licensee.

Section 4.22.9 Records and Reports.

(a) Each Franchise Licensee shall maintain a complete record of all complaints registered by customers and of all repairs made with regard to each slot machine in the possession of the Franchise Licensee. A copy of such records shall be always available to the authorized employees and agents of the Company.

(b) Each Franchise Licensee shall immediately inform the Company in writing each time that the reel mechanism or the logic board on any slot machine is replaced with another reel mechanism or logic board, including the serial number of the replacement reel mechanism or board.

Section 4.23 Card Controls

(a) Physical Characteristics

(1) Cards used to play Blackjack, Baccarat, Mini-Baccarat, Pai Gow Poker, Triple Shot, Texas Hold'em, Caribbean Stud Poker, Let It Ride Poker, Three Card Poker, Seven Card Stud, and any other authorized card games shall be in decks of 52 cards each with each card identical in size and shape to every other card in such deck. Notwithstanding the foregoing, decks of cards used to play the following games shall be modified as follows:

(i) A Pai Gow Poker deck shall include one additional joker card, which shall be identical in size and shape to every other card in such deck.

(ii) Each deck shall be composed of four suits: diamonds, spades, clubs and hearts.

(2) Each suit shall consist of 13 cards: ace, king, queen, jack, 10, 9, 8, 7, 6, 5, 4, 3, 2. The face of the ace,

king, queen, jack and 10 value cards may contain an additional marking, as approved by the Gaming Division, which will permit a croupier, prior to exposing his or her hole card at the game of Black Jack, to determine the value of that hole card.

(3) The backs of each card in the deck shall be identical and no card shall contain any marking, symbol or design that will enable a person to know the identity of any element printed on the face of the card or that will in any way differentiate the back of that card from any other card in the deck.

(5) *[sic]* The backs of all cards in the deck shall be designed so as to diminish as far as possible the ability of any person to place concealed markings thereon.

(6) The design to be placed on the backs of cards used by Franchise Licensees shall contain the name or trade name of the Franchise Licensee and shall be submitted to the Gaming Division for approval prior to use of such cards in gaming activity.

(7) Each deck of cards shall be packaged separately and shall contain a seal affixed to the opening of such package.

(8) Nothing in this section shall prohibit a manufacturer from manufacturing decks of cards with one or more jokers contained therein; provided, however, such jokers shall not be used by the Franchise Licensee in the play of any games other than Pai Gow Poker.

(9) In addition to satisfying the requirements of this section, the cards used by a Franchise Licensee at poker must be visually distinguishable from the cards used by that Franchise Licensee to play any other table game.

(10) Each Franchise Licensee that chooses to offer the game of poker shall be required to have and use on a daily basis at least two visually distinguishable card backings for the cards to be used at the game of poker. These card backings may be

distinguished, without limitation, by different logos, different colors or different design patterns. In addition, Franchise Licensees shall of the option of using plastic or paper cards for the game of poker.

b. Receipt, Storage and Distribution of Cards

(1) When decks of cards are received for use in the casino from the manufacturer or distributor thereof, they shall be placed for storage in a locked primary or secondary storage area by at least two individuals, one of whom shall be from the table games department and the other from the casino security department or casino accounting department. The primary storage area shall be located in the cashiers' cage or in another secure place, the location and physical characteristics of which shall provide effective security for the items housed therein. A secondary storage area, if needed, shall be used for the storage of surplus cards and shall provide also effective security for the items housed therein. Cards maintained in secondary storage areas shall not be distributed to gaming pits or tables for use in gaming until the cards have been moved to the primary storage area.

(2) All primary and secondary storage areas shall have two separate locks. The casino security department shall maintain one key and the table games department shall maintain the other key. Tier I Franchise Licensees shall have the option of utilizing a second department independent of the table games department in lieu of Security.

(3) All primary and secondary storage areas shall be equipped with Surveillance camera coverage.

(4) Immediately prior to the commencement of each gaming day and at other times as may be necessary, a table games department supervisor or higher, in the presence of a casino security officer shall remove the appropriate number of decks of cards for that gaming day from a primary storage area. For Tier

1 Franchise Licensees, an employee from a department independent of the table games department may be used in lieu of a casino security officer. The table games department supervisor shall then distribute the decks to the croupier at each table, or shall place the decks into a locked compartment in the pit stand for subsequent distribution to the tables or for use as reserve decks. The keys to the locked compartment in the pit stand shall be maintained by a table games supervisor or higher-ranking employee.

(5) Prior to their use at a table, all decks shall be inspected by the croupier, and the inspection verified by a table games department supervisor. Card inspection at the gaming table shall require that each deck to be used be sorted into sequence and into suit to assure that all cards are in the deck. The croupier shall also check the back of each card to assure that it is not flawed, scratched or marked in any way.

i. If, after checking the cards, the croupier finds that a card is unsuitable for use, a table games department supervisor shall bring a substitute card from the card reserve in the pit stand.

ii. The unsuitable card shall be placed in a sealed envelope or container, identified by table number, date, and time and shall be signed by the croupier and floor supervisor assigned to that table. The envelope or container shall be kept in a secure place within the pit until collected by a casino security officer.

(6) All envelopes and containers used to hold or transport cards collected by security shall be transparent. The envelopes or containers and the method used to seal them shall be designed or constructed so that any tampering shall be evident.

(7) Any cards which have been opened and placed on a gaming table shall be changed at least every 24 hours, except as otherwise provided for in these regulations. Each Franchise Licensee, at their discretion, shall change cards more frequently during the gaming day.

(8) Cards damaged during the course of play shall be replaced by the croupier who shall ask a floor supervisor to bring substitute cards from the pit stand or table supervision area.

(i) The damaged cards shall be placed in a sealed envelope, identified by table number, date and time, and shall be signed by the croupier and the individual who brought the replacement card to the table.

(ii) The floor supervisor shall maintain the envelopes or containers in a secure place within the pit until collected by a casino security officer.

(c) Collection of Cards

(1) At the end of each gaming day or, in the alternative, at least once each gaming day, and at such other times as may be necessary, a table games supervisor or higher ranking employee shall collect all used cards.

(i) These cards shall be placed in a sealed transparent envelope or container. A label shall be attached to each envelope or container that shall identify the table number, date and time and shall be signed by the croupier and floor supervisor assigned to the table.

(ii) The table games supervisor or higher-ranking employee shall maintain the envelopes or containers in a secure place within the pit

until collection by a casino security officer.

(2) The Franchise Licensee shall remove any cards at any time during the day if there is any indication of tampering, flaws, scratches, marks or other defects that might affect the integrity or fairness of the game, or at the request of the Gaming Division.

(3) All replacement decks that are in the card reserve in the pit stand or table supervision area whose seals are broken shall be placed in a sealed envelope or container, with a label attached to each envelope or container which identifies the date and time and which is signed by the table games supervisor thereof.

(4) At the end of each gaming day or, in the alternative, at least once each gaming day, and at such other times as may be necessary, a casino security officer shall collect and sign all envelopes or containers with damaged cards, cards used during the gaming day, and all extra decks in card reserve with broken seals and shall return the envelopes or containers to the casino security department.

(5) At the end of each gaming day or, in the alternative, at least once each gaming day, and at such other times as may be necessary, a table games supervisor may collect all extra, sealed, unused decks in card reserve. If the casino maintains a separate storage area for poker cards, a poker shift supervisor or supervisor thereof may collect all replacement decks in card reserve for the game of poker. If collected, all sealed decks shall either be canceled or destroyed or returned to the storage area.

d. Inspection of Cards

(1) When the envelopes or containers of used cards and reserve cards with broken seals are returned to the casino security department, they shall be inspected for tampering,

marks, alterations, missing or additional cards or anything that might indicate unfair play. The Franchise Licensee shall have inspected either:

(i) All decks used during the day; or

(ii) A sample of decks selected at random or in accordance with a defined stratification plan.

(iii) The Franchise Licensee shall also inspect any cards that the Gaming Division requests the Franchise Licensee to remove for the purpose of inspection, and any cards the Franchise Licensee removed for indication of tampering.

(2) The procedures for inspecting all decks required to be inspected under this subsection shall, at a minimum, include:

(i) The sorting of cards sequentially by suit;

(ii) The inspection of the backs with an ultraviolet light;

(iii) The inspection of the sides of the cards for crimps, bends, cuts and shaving; and

(iv) The inspection of the front and back of all plastic cards for consistent shading and coloring.

(3) The person who performs such inspection shall fill out a form that will detail the procedures carried out and list the tables from which the cards were removed and the results of the inspection. Said person shall sign the form upon completion of the inspection procedures.

(4) Each Franchise Licensee shall provide for appropriate and effective training procedures for those employees performing card inspections.

(5) Evidence of tampering, marks, alterations, missing or additional cards or anything that might indicate unfair play

discovered at this time, or at any other time, shall be documented by the completion of a Card Discrepancy Report. One copy of the report shall be provided to the Gaming Division Inspector on duty at the property. The Franchise Licensee's copy of the report along with the cards in question shall be retained and made available to the Gaming Division upon request.

(e) Card Inventory Procedures

(1) Each Franchise Licensee shall implement a card inventory system that shall include, at a minimum, the recordation of the following:

(i) The balance of decks of cards on hand in the primary and secondary storage areas;

(ii) The number of decks of cards removed from storage;

(iii) The number of decks of cards returned to storage or received from the manufacturer;

(iv) The date of the transaction; and

(v) The signatures of the individuals involved.

(2) The card inventory procedures shall provide for reconciliation on a daily basis of the number of decks of cards distributed, the number of decks destroyed and canceled, and the number of decks returned to the storage area.

(3) A physical inventory of the decks of cards on hand in the primary and secondary storage areas shall be taken at least once every three months. This inventory shall be performed by an individual with functions that are not incompatible and shall be verified to the balance of decks of cards on hand as recorded in 1(i) above. Any discrepancies shall be investigated by the Franchise Licensee and reported to the Gaming Division Inspector on duty.

(f) Destruction of Cards

Where cards in an envelope or container are inspected and found to be without any indication of tampering marks,

alterations, missing or additional cards or anything that might indicate unfair play, those cards shall be destroyed or canceled.

(1) Destruction of cards shall be by shredding.

(2) Cancellation of cards shall be either by:

(a) drilling a circular hole of at least one fourth of an inch in diameter through the center of each card in the deck, or by

(b) a diagonal cut at one corner of each card.

The destruction and cancellation of cards shall take place in a secure place.

Section 4.24 Dice Controls

(a) Receipt, storage, and distribution of dice

(1) When dice for use in the casino are received from the manufacturer or distributor thereof, they shall, immediately following receipt, be inspected by a member of the casino security department or casino accounting department and a table games department supervisor or higher ranking employee to assure that the seals on each box are intact, unbroken and free from tampering. Boxes that do not satisfy these criteria shall be inspected at this time to assure that the dice conform to the standards contained in these regulations and are completely in a condition to assure fair play. Boxes satisfying these criteria, together with boxes having unbroken, intact and un-tampered seals shall then be placed for storage in a locked primary or secondary storage area. Dice, which are to be distributed to gaming pits or tables for use in gaming, shall be distributed from a secure primary storage area, the location and physical characteristics of which shall provide effective security for the items housed therein. If needed, a secondary storage area shall be used for the storage of surplus dice and shall also provide effective security for the items housed therein. Dice maintained in secondary storage areas shall not be distributed to gaming pits

or tables for use in gaming until the dice have been moved to a primary storage area.

(2) All primary and secondary storage areas shall have two separate locks. The casino security department shall maintain one key and the table games department shall maintain the other key. Tier I Franchise Licensees shall have the option of utilizing a second department independent of the table games department in lieu of Security.

(3) All primary and secondary storage areas shall be equipped with surveillance cameras.

(4) Immediately prior to the commencement of each gaming day and at such other times as may be necessary, a table games department supervisor or higher ranking employee, in the presence of a casino security officer shall remove the appropriate number of dice for that gaming day from a primary storage area. For Tier 1 Franchise Licensees, an employee from a department independent of the table games department may be used in lieu of a casino security officer.

(5) All envelopes and containers used in this section for dice pre-inspected at the pit stand or in a primary storage area and for those collected by security shall be transparent. The envelopes or containers and the method used to seal them shall be designed or constructed so that any tampering shall be evident.

(6) All dice shall be inspected and distributed to the gaming tables in accordance with one of the following applicable alternatives:

(i) Alternative No. 1: Distribution to and inspection at gaming tables:

(aa) The table games supervisor and the casino security officer who removed the dice from the primary storage area shall distribute sufficient dice directly to

each table, or place them in a locked compartment in the pit stand, the keys to which shall be in the possession of a table games department supervisor or higher ranking employee. Tier I Franchise Licensees may utilize a department independent of the table games department in lieu of the casino security department;

(bb) Immediately upon opening a table for gaming, the table games department supervisor shall distribute a set of dice to the table. At the time of receipt, a floor supervisor at each craps table, in order to ensure that the dice are in a condition to assure fair play and otherwise conform to these regulations and the rules of the games, shall, in the presence of the croupier, inspect the dice given to him or her with a micrometer or any other approved instrument which performs the same function, a balancing caliper, a steel set square and a magnet, which instruments shall be kept in a compartment at each craps table or pit stand and shall be at all times readily available for use by the Gaming Division upon request;

(cc) Following this inspection, the floor supervisor shall, in the presence of the croupier, place the dice in a cup on the table for use in gaming, and while the

dice are at the table, they shall never be left unattended;

(dd) The table games department supervisor shall place extra dice for dice reserve in the pit stand. Dice in the pit stand shall be placed in a locked compartment, the keys to which shall be in the possession of a table games supervisor or higher-ranking employee. No dice taken from the reserve shall be used for actual gaming until and unless inspected in accordance with the above procedures.

(ii) Alternative No. 2: Distribution to and inspection at the pit stand:

(aa) The table games department supervisor and the casino security officer who removed the dice from the primary storage area shall distribute the dice directly to the floor supervisor identified in (b) below who will perform the inspection in each pit. For Tier I Franchise Licensees, a department independent of the table games department may be used in lieu of a casino security officer.

(bb) The inspection of the dice at the pit stand shall be performed by a floor supervisor in the presence of another floor supervisor, both of whom are assigned the responsibility of supervising the operation and conduct of a craps game or a Pai Gow or Pai Gow Poker game.

(cc) To ensure that the dice are in a condition to assure fair play and otherwise conform to these regulations and the rules of the games, the dice shall be inspected with a micrometer or any other approved instrument which performs the same function, a balancing caliper, a steel set square and a magnet, which instruments shall be kept at the pit stand and shall be at all times readily available for use by the Gaming Division upon request. The inspection shall be performed on a flat surface which allows the dice inspection to be observed through closed circuit television cameras and by any persons in the immediate vicinity of the pit stand or table supervision area.

(dd) After completion of the inspection, the dice shall be distributed to the gaming tables by the floor supervisor who inspected the dice, in the presence of the other floor supervisor who observed the inspection. The floor supervisor shall, in the presence of the croupier, place the dice in a cup on the table for use in gaming, and while the dice are at the table, they shall never be left unattended. For Pai Gow or Pai Gow Poker, the croupier shall immediately place the dice in the Pai Gow or Pai Gow Poker shaker.

(ee) The table games department supervisor shall place extra dice for dice reserve in the pit stand. Dice in the pit stand shall be placed in a locked compartment, the keys to which shall be in the possession of the table games supervisor or higher-ranking employee. No dice taken from the reserve shall be used for actual gaming until and unless inspected in accordance with the above procedures.

(iii) Alternative No. 3: Inspection in primary storage area and distribution to tables:

(aa) Inspection of dice for all table games in an approved primary storage area shall be performed by a table games department supervisor or higher-ranking employee, in the presence of a casino security officer. For Tier I Franchise Licensees, a department independent of the table games department may be used in lieu of a casino security officer.

(bb) The dice shall be inspected with a micrometer or any other approved instrument which performs the same function, a balancing caliper, a steel set square and a magnet to ensure that the dice are in a condition to assure fair play and otherwise conform to these regulations and the rules of the games. These instruments shall be maintained in the storage area and shall be at all times readily available for use by the Gaming Division upon request.

(cc) After completion of the inspection, the person performing the inspection shall seal the dice as follows:

(1i) For craps, after each set of at least five dice are inspected, they shall be placed in a sealed envelope or container; provided, however, that reserve dice may be placed in individual sealed envelopes or containers. A label that identifies the date of the inspection and contains the signatures of those responsible for the inspection shall be attached to each envelope or container;

(2i) For Pai Gow or Pai Gow Poker, after each set of three dice is inspected, they shall be placed in a sealed envelope or container. A label that identifies the date of the inspection and contains the signatures of those responsible for the inspection shall be attached to each envelope or container.

(dd) At the beginning of each gaming day and at such other times as may be necessary, a table games department supervisor or higher ranking employee and a casino security officer shall distribute the dice as follows. For Tier I Franchise Licensees, a department independent of the table games department may be used in lieu of a casino security officer.

(1i) For craps, the sealed envelopes or containers of dice shall be distributed to a floor supervisor in each craps pit or placed in a locked compartment in the pit stand by the supervisor. When the sealed dice are distributed to the craps table, a floor supervisor at each craps table, after assuring the seals are intact and free from tampering, shall open the sealed envelope or container, in the presence of the croupier, and place the dice in a cup on the table for use in gaming. While dice are on the table, they shall never be left unattended.

(2i) For Pai Gow or Pai Gow Poker, the sealed envelope or container shall be distributed to a floor supervisor in each Pai Gow or Pai Gow Poker pit or placed in a locked compartment in the pit stand. When the sealed dice are distributed to the Pai Gow or Pai Gow Poker table, a floor supervisor, after assuring the seal and envelopes or containers are intact and free from tampering, shall open the sealed envelope or container, in the presence of the croupier, and place the dice in the Pai Gow or Pai Gow Poker shaker.

(ee) When the envelope or container or the seal is damaged, broken or shows indication of tampering, the dice shall

not be used for gaming activity unless the dice are re-inspected.

(ff) The table games department supervisor shall place extra sets of dice for dice reserve in the pit stand. Dice in the pit stand shall be placed in a locked compartment, keys to which shall be in the possession of the table games supervisor or higher-ranking employee.

(gg) A micrometer or any other approved instrument which performs the same function, a balancing caliper, a steel set square and a magnet shall also be maintained in a locked compartment in each pit stand, and each such instrument shall be at all times readily available for use by the Gaming Division upon request.

(hh) Any primary storage area in which dice are inspected in accordance with this alternative shall be equipped with closed circuit television camera coverage capable of observing the entire inspection procedure.

(b) Collection and Inspection of Dice

(1) The Franchise Licensee shall remove any dice at any time of the gaming day if there is any indication of tampering, flaws or other defects that might affect the integrity or fairness of the game, or at the request of the Gaming Division.

(2) At the end of each gaming day or at such other times as may be necessary, a table games department supervisor or higher ranking employee, other than the individual who originally

inspected each die, shall visually inspect each die for evidence of tampering. The evidence discovered at this time or at any other time shall be documented by completing a Dice Discrepancy Report. One copy of the report shall be provided to the Gaming Division Inspector on duty at the property. The Franchise Licensee's copy of the report along with the die (dice) in question shall be retained and made available to the Gaming Division upon request.

(3) Any dice showing evidence of tampering shall be placed in a sealed envelope or container. A label shall be attached to each envelope or container which shall identify the table number, date and time and shall be signed by a person assigned to directly operate and conduct the game at that table and a table games supervisor assigned the responsibility for supervising the operation and conduct of such game.

(4) All other dice shall be put into envelopes or containers at this time. A label shall be attached to each envelope or container that shall identify the table number, date and time, and it shall be signed by the appropriate persons identified in (3) above. The envelope or container shall be appropriately sealed and maintained in a secure place within the pit until collection by a casino security officer.

(5) All extra dice in dice reserve that are to be destroyed or canceled shall be placed in a sealed envelope or container, with a label attached to each envelope or container which identifies the date and time and is signed by the table games department supervisor.

(6) At the end of each gaming day or, in the alternative, at least once each gaming day, and at such other times as may be necessary, a casino security officer shall collect and sign all envelopes or containers of used dice and any dice in dice reserve that are to be destroyed or canceled and shall transport them to the casino security department for

cancellation or destruction. The casino security officer shall also collect all copies of Dice Discrepancy Reports, if any. No dice that have been placed in a cup for use in gaming shall remain on a table for more than 24 hours.

(7) At the end of each gaming day or, in the alternative, at least once each gaming day, and at such other times as may be necessary, a table games department supervisor may collect all extra dice in dice reserve. If collected, dice shall be returned to the primary storage area. If not collected, all dice in dice reserve must be re-inspected in accordance with one of the alternatives listed in b.6 above, before their use for gaming.

d. Dice Inventory Procedures

(1) Each Franchise Licensee shall implement a dice inventory system that shall include, at a minimum, the recordation of the following:

(i) The balance of dice on hand;

(ii) The number of dice removed from storage;

(iii) The number of dice returned to storage or received from the manufacturer;

(iv) The date of the transaction; and

(v) The signatures of the individuals involved.

(2) The dice inventory procedures shall provide for reconciliation on a daily basis of the number of dice distributed, the number of dice destroyed and canceled, and the number of dice returned to the primary storage area.

(3) A physical inventory of the number of dice on hand shall be taken at least once every three months. This inventory shall be performed by an individual with no incompatible functions and shall be verified to the balance of dice on hand as recorded 1.i. above. Any discrepancies shall be investigated by the Franchise Licensee and reported to the Gaming Division inspector on duty.

(d) Destruction of Dice

All destruction and cancellation of dice, other than those retained for Gaming Division inspections, shall be completed as follows:

(1) Cancellation shall occur by drilling a circular hole of at least one-fourth inch in diameter through the center of each dice.

(2) Destruction shall occur by shredding.

(3) The destruction and cancellation of dice shall take place in a secure place.

CHAPTER 5

CONTROL

Section 5.1 Closed Circuit Television System ("CCTV"); Surveillance Control Department.

(a) All Franchise Licensees shall install in their casino a CCTV in accordance with the specifications provided herein.

(b) Notwithstanding the provisions of paragraph (a) above, all Franchise Licensees as of the date of these Regulations may request that the Company exempt it from compliance with some of the CCTV requirements provided in this section, for a reasonable period of time during which the Franchise Licensee shall carry out any adjustments that may be necessary.

(c) Access to the CCTV room shall be limited to surveillance personnel, designated employees, and other persons authorized in accordance with the Surveillance Department policy. Such policy shall be approved by the Gaming Division. The Surveillance Department shall maintain a sign-in/sing-out log of other authorized persons entering and leaving the Surveillance Room. Each Franchise Licensee shall provide complete access to the place where the CCTV is located, to the CCTV and to its signal to any agent or authorized representative of the Company and the Commissioner.

(d) All Franchise Licensees and each member of the surveillance department of each Franchise Licensee shall comply with any petition of the Company and the Commissioner in which the Franchise Licensee is requested to act on any of the following:

(1) Display on any of the monitors any activity or event capable of being monitored by the CCTV;

(2) Make a video and, if applicable, an audio recording, and take a photograph of any event capable of being monitored by the CCTV, provided that:

(i) The Franchise Licensee shall preserve and store each recording or photograph, as may be required by the Company; and

(ii) The Gaming Division shall have access to all recordings or photographs.

(e) The CCTV shall, at a minimum, include the following:

(1) Light sensitive cameras with zoom, scan and tilt capabilities to effectively monitor in detail and from various points, the following:

(i) The gaming activity conducted at each gaming table in the casino;

(ii) The gaming activity conducted at each slot machine in the casino;

(iii) Any other activities in the casino;

(iv) The operations conducted outside and inside of the cashiers' cages, any satellite cage and every office related thereto;

(v) The bills, coins, or chips counting process that is conducted in any of the count rooms;

(vi) The movement of cash and chips, drop boxes from the gaming tables, slot cash storage boxes, slot drop buckets and slot drop boxes in the casino;

(vii) The entrances and exits to the casino, surveillance room, and the count rooms;

(viii) The operations conducted at and in the slot booths;

(ix) The movement of cards and dice;

(x) The entrance to and activities in the surveillance room; and

(xi) Any other area or activity that the Company specifies;

(2) Video recording systems for recording the closed circuit signal produced by any camera of the system. At a minimum, each recording systems shall:

(i) Be capable of superimposing the time and the date on the taping on each video recording used with the system; and

(ii) Enable the operator of the recording system, using a meter, counter or other device, or by another method approved by the Company, to identify the point on a video recording where a particular event is recorded;

(3) One or more monitoring rooms from which the employees of the surveillance department or agents assigned to them by the Franchise Licensee, shall constantly monitor the activities in the casino; provided that every monitoring room shall be used, as necessary, by the authorized officials of the Gaming Division and shall contain such equipment and materials as required by the Gaming Division for the effective performance of the activities to be conducted therein; and

(4) All the CCTV cameras shall be equipped with lenses of sufficient magnification so as to be able to clearly distinguish the value of the gaming chips, the cards, the currency, and the slot machines reel characters.

(5) Where digital image monitoring is used, digital images shall be, at a minimum, captured and reproduced at a minimum of 24 frames per second. Additionally, imaging hardware and software shall be provided by the Franchise Licensee, at locations specified by the Gaming Division and Commissioner, to enable images captured by the Franchise Licensee to be viewed by the Gaming Division and Commissioner.

(f) All Franchise Licensees shall maintain adequate illumination 24 hours a day in all areas of the casino where the use of closed circuit cameras is required. The cameras and the

video recording systems must be capable of monitoring and taping images of sufficient quality to produce a clear recording.

(g) Each Franchise Licensee shall maintain a surveillance log where all surveillance activities in the surveillance room shall be recorded. The log shall be kept by the surveillance room personnel and shall be stored in a secure place in the surveillance department previously approved by the Gaming Division. At a minimum, the following information shall be recorded on the surveillance log:

(1) Date and time in which each surveillance commences;

(2) Name and identification number of each person who initiates, performs or supervises the surveillance;

(3) Reason for the surveillance, including the name and any alias or description of the person being monitored and a brief description of the activity in which the monitored person was participating;

(4) The time at which each video or recording commences and terminates;

(5) The time at which each suspicious criminal activity was observed, together with a notation of the reading on the meter, counter or other mechanism specified in subparagraph (e)(2) of this section which identifies the point on the video recording where said activity was recorded;

(6) Time the surveillance terminated;

(7) Summary of the surveillance results; and

(8) A complete description of the time, date, the cause of any equipment or camera malfunction, if known, and the time at which the security department was informed of said malfunction in accordance with the internal controls of the Franchise Licensee.

(h) The surveillance log shall be available for inspection by the Gaming Division at any time.

(i) Every video recording recorded by the CCTV shall be stored and processed by the Franchise Licensee for a minimum period of fifteen (15) days from the date of recording, except when the Gaming Division, for security reasons, requires a longer period. All suspicious or illegal activity observed by a Franchise Licensee's Surveillance Department shall be recorded and reported to the Gaming Division within 24 hours of the observed incident. The Franchise Licensee shall maintain recordings or suspicious or illegal activity until the Gaming Division approves their release.

(j) Every surveillance department employee and every agent of the Franchise Licensee assigned to monitor the activities in the casino shall be independent of any other department of the Franchise Licensee. The Surveillance Director shall not answer to the Casino Director or to the official in charge the Casino nor to the director or person in charge of the property's security. No present or former surveillance department employee shall accept a job as an employee in the casino for which he works or previously worked, or in a prospective casino or in any other casino or hotel which is under the `operational control of the same person who directs or directed the surveillance department in which the surveillance department employee previously worked, unless one (1) year has passed since the surveillance department employee ceased working in the surveillance department. Notwithstanding the foregoing, the Gaming Division may, at the request of the employee, waive this restriction and permit the employment of a present or former employee of the surveillance department in a particular position after taking into consideration the following factors:

(1) Whether the former surveillance employee shall be employed in a department or area of operation that is not monitored by the surveillance department;

(2) Whether the surveillance and security systems of the Franchise Licensee will not be compromised or jeopardized by the employment of a former surveillance department employee in that particular position; and

(3) Whether the knowledge of the former surveillance department employee of the procedures of the surveillance department would not facilitate the commission by any person of irregularities or illegal acts or the concealment of any such actions or errors.

(k) The entrances to the CCTV monitoring rooms shall not be visible from the casino. Where access to the surveillance room requires passing through the casino, the Gaming Division shall approve such access routes.

(l) The CCTV room shall be staffed, 24 hours a day, by personnel who are trained in the use of the equipment, know how the games are played, and have knowledge of approved internal controls.

(m) In the event of power loss to the CCTV system, an auxiliary or backup power source shall be available and capable of providing immediate restoration or power to all elements of the CCTV system that enable surveillance personnel to observe the table games remaining open for play and all areas covered by dedicated cameras. Auxiliary or backup power sources such as a UPS System, backup generator, or an alternative utility supplier would satisfy this requirement.

(n) Any recording considered judicial evidence will be handled according to the basic standards of the chain of evidence.

Section 5.2 Count Room; Characteristics.

(a) The Company, at its discretion and as the operations of the casino may require it, may at any time require any Franchise Licensee to establish such count rooms designed with the

characteristics indicated below and with those the Company may require.

(b) Each count room shall be designed and constructed to provide maximum security for the materials contained therein and the activities to be conducted therein. Each count room shall, at a minimum, have CCTV cameras connected to the surveillance room that can:

(1) Monitor on video effectively and in detail the entire counting process; and

(2) Record on video the entire counting process and any other activity conducted in each count room.

Section 5.3 Slot Machines and Bill Validators; Coin and Slot Token Containers; Slot Cash Storage Boxes.

(a) In addition to the requirements for slot machines provided in section 4.15.4 of these Regulations, each slot machine in a casino must have the following containers for bills, coins and slot tokens:

(1) At least one, but at no time more than two (2) containers, known as the hopper, in which the coins or tokens shall be retained by the slot machine to automatically pay jackpots or to give change as may be required by the bill validator; provided, however, that:

(i) The coins or tokens shall be retained in a separate hopper, known as the "all-purpose hopper", which shall be designed to accept coins or tokens of the same denomination, and only such coins or tokens when inserted into the coin acceptor of the slot machine, and shall be capable of paying or dispensing as jackpot or change only coins or tokens of the same denomination; provided, however, that any coins or tokens that are accepted by the coin acceptor and which exceed the capacity

of the hopper shall be diverted to the slot drop bucket and, if applicable, to the slot drop box.

(ii) No slot machine shall have more than one all-purpose hopper unless each hopper accepts the same denomination of coin or token;

(2) A container, known as the slot drop bucket or slot drop box, which shall collect the coins or tokens retained by the slot machine and which are not used to give change or to make automatic jackpot payments. Each slot drop bucket or slot drop box shall be identified by the number which corresponds to the asset number of the slot machine, which is permanently imprinted on or affixed to the outside of the slot drop bucket or slot drop box and shall be at least two (2) inches in height;

(3) Those slot machines that have a bill validator shall comply with the requirements provided in section 5.7 of these Regulations.

(b) The slot drop bucket shall be housed in a locked compartment separate from any other compartment of the slot machine. Said compartment shall have one (1) lock, the key to which shall be different from the key which secures the contents of the slot drop box and the slot cash storage box any other key used to lock any compartment of the slot machine, except for the compartment which houses the slot cash storage box of the bill validator which may be connected to a slot machine and the compartment which houses the slot drop box in any other slot machine in that casino. The key for this compartment shall be maintained and controlled by an authorized official of the Company.

(c) The slot drop box shall have:

(1) A slotted opening through which coins and tokens can be deposited;

(2) A device which will automatically close and lock the slotted opening when the slot drop box is removed from the slot machine; and

(3) One (1) lock securing the contents of the slot drop box, the key to which shall be different from any other keys used to lock the compartments of the slot machine, including the compartment which houses the slot drop box or the slot drop bucket, as the case may be, but the same as the key which secures the contents of the slot cash storage box of the bill validator which may be attached to any slot machine in that casino. The key to the slot drop box shall be maintained and controlled by an authorized official of the Company.

(d) The slot drop box shall be housed in a locked compartment separate from any other compartment of the slot machine. Said compartment shall have one (1) separate lock, the key to which shall be different from the key which secures the contents of the slot drop box and the slot cash storage box and from any keys used to lock any compartment of the slot machine, but the same as the key for the compartment which houses the slot cash storage box of the bill validator and the slot drop bucket of any slot machine in that casino. The key shall be maintained and controlled by an authorized official of the Company.

(e) Each slot machine with a denomination of less than twenty-five dollars ($25.00) shall use a slot drop bucket, and each slot machine with a denomination of twenty-five dollars ($25.00) shall use a slot drop box instead of a slot drop bucket.

(f) Each Franchise Licensee shall be responsible for ensuring that every slot machine complies also with the following requirements:

(1) Every MPU shall:

(i) be sealed by the Company in accordance with the provisions of subparagraph (e)(2) of section 5.10 if the slot machine is a new one

or section 5.11 of these Regulations if the slot machine has already been in operation; and

(ii) have imprinted the serial number of the slot machine.

(2) The MPU to be used in each slot machine shall be maintained in a compartment inside the slot machine separate from any other compartment. Said compartment shall have a separate lock, the design, location and operation of which must be approved by the Company, and the key shall be different from any keys used to lock any compartment of the slot machine and the machine itself.

(g) The keys to open the slot machine, or any device connected to the same which may affect the operation of the slot machine, including the key of the MPU, shall be maintained and controlled by the Franchise Licensee in a secure place and under the supervision of the security department of the Franchise Licensee.

Section 5.4 Bill Validators; Characteristics; Meters.

(a) Each bill validator in a casino shall contain a secure metal container, known as the slot cash storage box, in which all the cash inserted into the bill validator shall be deposited. The bill validator and the slot cash storage box shall be under the exclusive control of the Company.

(b) Each slot cash storage box shall:

(1) Have one (1) separate lock securing the contents of the slot cash storage box, the key to which shall be different from any keys used to lock the slot machine compartments, including the compartment which houses said slot cash storage box or the slot drop bucket, as the case may be, but the same as the key which secures the contents of the slot drop box of the slot machines in that casino.

(2) Be located in an area which shall be secured by one (1) lock, the key to which shall be different from the key which secures the contents of the slot drop box and the contents of the slot cash storage box and any keys used to lock the other compartments of the slot machine which are controlled by the Franchise Licensee, but the same as the key of the compartment which houses the slot drop bucket or the slot drop box, as the case may be, of any slot machine in that casino. The key for the lock that secures the area where the slot cash storage box is stored shall be maintained and controlled by an authorized official of the Company;

(3) Have a slotted opening through which currency can be inserted into the slot cash storage box;

(4) Have a mechanical arrangement or device which prevents the removal of currency from the slot opening when the slot cash storage box is removed from the bill validator; and

(5) Be completely closed, except for such openings as may be necessary for the operation of the bill validator or the slot cash storage box; provided, however, that the location and size of such openings shall not affect the security of the slot cash storage box, its contents or the bill validator.

(c) Unless otherwise authorized by the Company, each slot machine with a bill validator attached shall also be equipped with the following mechanical, electrical or electronic devices:

(1) A "cash box" meter that continuously and automatically registers the total amount in dollars (units) accepted by the bill validator; and

(2) A number of "bill meters," that continuously and automatically count, for each denomination of currency accepted by the bill validator, the actual number of bills accepted by the bill validator.

Section 5.5 Slot Machines; Hopper Storage Areas.

(a) The Franchise Licensee may, with the prior approval of the Company, use a hopper storage area to temporarily store coins or tokens that are to be deposited in the hopper of the slot machine where said hopper storage is found.

(b) The hopper storage area shall be a secure compartment located near, but separate from, any compartment of the corresponding slot machine, or the slot drop bucket or slot drop box compartment of said slot machine, and shall be constructed so as to provide maximum security for the coins or tokens stored in said compartment and in accordance with the requirements imposed by the Company at the time of approval.

Section 5.6 Slot Machines and Bill Validators; Approved Locations; Movements.

(a) Each slot machine found on the floor of a casino shall be:

(1) Placed at an authorized location and identified on the floor plan of the casino approved by the Company; and

(2) Identified on the Slot Machine Master List required by section 4.15.2 of these Regulations.

(b) No slot machine or bill validator shall be removed from or returned to a casino or moved from an authorized slot machine location unless the Franchise Licensee has complied with the provisions of paragraph (e) of section 4.15.2 of these Regulations.

(c) Once a slot machine or bill validator has been placed in the casino, any movement of said slot machine and/or bill validator within the casino shall be supervised by an authorized official of the Company and recorded by an authorized employee of the Franchise Licensee in a slot machine and/or bill validator movement log which shall include the following information:

(1) The manufacturer's serial number and the asset number of the slot machine and/or bill validator that was moved;

(2) The date and time of movement of the slot machine and/or bill validator;

(3) The location from which the slot machine and/or bill validator was moved;

(4) The location to which the slot machine and/or bill validator was moved; and

(5) The signatures of the slot shift manager, or the lead technician and the authorized official of the Company who supervised the movement of the slot machine and/or bill validator.

(d) No slot machine shall be removed from the casino containing coins or tokens inside, except when the removal of the coins or tokens is not possible due to mechanical or electrical difficulties; provided that the Company shall determine on a case by case basis the procedures to be followed when the removal of the coins and tokens contained in the slot machine has been impossible.

(e) Every movement of slot machines and/or bill validators shall take place after the Company finalizes:

(1) the process for collection of the monies generated by the slot machines and the process for reading the corresponding meters; and

(2) the removal of all the pertinent locks.

(f) When the slot machine being removed is going to be removed to a warehouse, said warehouse shall have the appropriate security; provided that any slot machine storage facility shall have been previously approved by the Company.

(g) The Company may, at any time, conduct an inspection of any storage facility for slot machines and/or bill validators or related equipment.

(h) Each Franchise Licensee, together with the Company, shall keep a current inventory of the slot machines and/or bill

validators located in each slot machine and/or bill validator storage facility.

Section 5.7 New Slot Machine Verification Procedure.

(a) Every slot machine shall be inspected, examined and approved by the Company before its operation in the casino.

(b) The Franchise Licensee shall submit to the Company a written request for the inspection of every new slot machine or related peripheral equipment.

(c) The Company shall, within a reasonable period, coordinate with the Franchise Licensee the inspection itinerary and the personnel necessary to carry out the requested inspection.

(d) The inspection of the slot machine shall include:

(1) The verification of the slot machine identification which shall, at least, comply with the provisions of section 4.15.4 of these Regulations;

(2) The verification of the bill validator identification which shall, at least, comply with the provision of section 5.7 of these Regulations;

(3) The verification of the reels which identification number on the tapes shall be the same one as the one specified by the program. The serial number of the machine shall be engraved on these mechanisms as well as on the MPU;

(4) The examination of all the compartments to verify the locks and that they contain the necessary security; and

(5) The examination of the glasses to verify that they contain the necessary information to inform the player of the payouts of the slot machine as well as any other pertinent information. The payout tables shall be the same as those specified by the gaming program.

(e) As part of the inspection:

(1) The slot machine shall be put on the Test Mode to verify the meters, reels, hopper, sounds and any lighting effects necessary for the operation of the same;

(2) The MPU shall be removed and all the gaming programs contained in the MPU shall be verified using a portable computer, a program comparison and reading device, the KOBETRON, or any other device for this purpose authorized in the New Jersey Jurisdiction or used by GLI (Gaming Laboratories International).

(3) After the programs have been verified, they shall be reinstalled in the MPU and shall be sealed with a security adhesive tape especially designed for that purpose; and

(4) The slot machine door shall be closed and its functioning shall be verified with coins or tokens. In those cases where there are bill validators, various bills of different denominations shall be deposited therein to verify their functioning. For the slot machines with progressive systems, the functioning of the progression when the machine is played shall be verified. The functioning of the same shall be equal to the parameters established in the program and by the Company.

(f) If the slot machine(s) is(are) equipped with external accessories, the same shall be inspected to ensure that they operate correctly.

(g) Any Franchise Licensee who wishes to change the programs it has in operation in any of its slot machines shall request in writing to the Company an inspection of the same before carrying out any change; provided, in addition, that any program shall comply with the established rules and be previously approved by the Company.

Section 5.8 Slot Machine Programs and Cards (MPU) Control Procedures.

(a) All Franchise Licensees shall keep a book with the description of each one of the programs and the payout

percentages ("PC Sheets") approved by the Company that are in operation in the slot machines in its casino.

(b) All Franchise Licensees may maintain a copy of each different program operating in the slot machines in its casino under a strict security control, which shall provide, at a minimum, for the storage of the programs in a locked cabinet. Said cabinet shall be located in a restricted access area, which shall be covered by the CCTV. Any person who wishes to enter into this area shall need to obtain the prior authorization of the officer designated by the Franchise Licensee as responsible for these programs and sign the logbook that shall be kept by the Franchise Licensee.

(c) The following information shall be kept inside the cabinet provided in paragraph (b) above:

(1) an inventory of each one of the programs contained therein;

(2) the amount of microchips for each program;

(3) the version of these programs; and

(4) a description of the same, including denomination, manufacturer and date on which the same was produced.

(d) The Franchise Licensee shall keep a register where it shall record each time that a microchip is removed from the cabinet. Said register shall contain the following information:

(1) the name of the person who removed the microchip;

(2) the asset number of the slot machine where the microchip was used;

(3) the signature of the responsible supervisor of Franchise Licensee; and

(4) the signature of the specialist or an authorized Company official.

(e) If any of the microchips suffers damages and the Franchise Licensee must dispose of the same, the Franchise Licensee shall make a report in this regard, which shall be kept

in the files of the Franchise Licensee. The Company shall, without previous notice, review these files to verify the accuracy of the information.

(f) The Franchise Licensee shall maintain any equipment used to reproduce the programs in the same area where the microchips are found; provided that, in order to use this equipment, the prior authorization of the Casino Director or the Slot Machine Director shall be needed.

(g) Each microchip that is installed in the MPU shall be sealed by a specialist or an authorized official of the Company before the slot machine may be operated.

(h) Any repair that involves breaking the seal installed in these programs shall invalidate the use of the MPU until a specialist or an authorized official of the Company verifies that the repaired microchips are exact copies of the master program and the Company proceeds to reseal the MPU.

(i) The official of the Company, before proceeding to seal the MPU, shall verify each one of the copies of the program and if the microchips comply with all the parameters, the same shall be sealed with a special adhesive tape. The Specialist or official of the Company shall prepare a report that includes the following information:

(1) Date;

(2) Time;

(3) Name of the casino;

(4) Name of the official of the Company who carried out the procedure;

(5) Manufacturer of the slot machine in which the programs shall be installed;

(6) Asset and serial number of the slot machine;

(7) Location of the slot machine in the casino;

(8) Information about each one of the microchips ("Eproms") which make up the slot machine programming, including

the number of the program, the version and any other codification which describes each one of them; and

(9) Any comment that arises, including any reference to a prior intervention on the MPU or the slot machine.

(j) This form shall be consecutively pre-numbered and shall have an original and two copies.

(k) The Franchise Licensee may keep temporary Replacement MPU with programs previously sealed by the Company in order to substitute any MPU that does not allow for adequate functioning of any slot machine in the casino.

(l) Each Replacement MPU shall be:

(1) engraved with such identification as is designated by the Franchise Licensee and the word "Replacement"; and

(2) stored in a restricted access location.

(m) When a Replacement MPU is installed in a slot machine, the program shall conform to the glasses and tapes of the slot machine. The specialist or an authorized official of the Company, together with the technician, shall verify that the seals of the Replacement MPU have not been tampered with and that the slot machine is correctly operating and they shall make a report which shall include the reading of the Replacement MPU recently installed and the reading of the previous MPU. After completing this process, the slot machine shall begin functioning.

(n) When the removed MPU is repaired, the Franchise Licensee shall notify the Company so that the same be inspected before being installed in the slot machine. If the specialist or an authorized official of the Company that inspects the same does not find any anomalies, the specialist or authorized official of the Company shall locate the previous report where the use of the Replacement MPU was notified and shall make the corresponding notes indicating the date, time in which the original MPU was reinstalled and any other information he deems pertinent,

including the reading of the meters of the original MPU and the Replacement MPU. The Replacement MPU shall be returned to the restricted storage area and the Franchise Licensee shall be responsible for the recording of the return of the Replacement MPU in the control log.

(o) Any MPU which suffers damages which may not be repaired shall be declared unusable; provided that the identification number of said MPU shall not be used in any other MPU and the same shall be retired in the inventory book indicating the date, name of the technician, signature of the supervisor of the Franchise Licensee and the reasons why it was declared unusable. The programs that are installed in said MPU shall be removed and returned to the security cabinet where the copies are kept or if the same are going to be used and installed in another MPU, the previously described procedure for sealing the same shall be followed.

(p) When the Franchise Licensee does not have any previously sealed Replacement MPU and needs to install sealed programs from an MPU that does not work to a Replacement MPU without programs, the Franchise Licensee shall notify the Company, indicating the name of the contact person in the casino. For purposes of verifying this operation, the official of the Company shall carry out those procedures he deems necessary, including those provided for new slot machines in section 5.10 of these Regulations.

Section 5.9 Procedures for Intervening with Slot Machines.

(a) Whenever a player reports any malfunction of a slot machine to an employee of the Franchise Licensee or when an employee of the Franchise Licensee notices the signal issued by the light tower or the sound of any slot machine, an attendant shall verify the code shown by the machine and obtain any information which may be provided by the player.

(b) If the attendant determines that the slot machine requires internal intervention, the attendant shall proceed in accordance with the security internal control systems established by the Franchise Licensee and approved by the Company pursuant to SUBCHAPTER ___ Minimum Internal Control Standards of these Regulations.

(c) If the malfunction of the slot machine cannot be corrected from the outside of the slot machine, the attendant shall proceed to open the slot machine and, after correcting the defect and ensuring that the repair was correct, he shall proceed to fill the log which is provided for attendant interventions which shall be located inside the slot machine as provided in section 5.10 of these Regulations. The attendant shall intervene in situations aside from those described, such as: Changing blown light bulbs, change coin comparators and any other lesser intervention authorized by the Gaming Division Director or his authorized representative.

(d) If the defect requires the intervention of a technician, the slot machine shall be placed out of service and a malfunction report shall be completed.

(e) The Inspector shall be notified of this situation as soon as possible, and he shall be given a copy of the malfunction report. The Inspector shall include this information in the daily report that he prepares.

(f) Any malfunction of a slot machine will void any play and pay.

Section 5.10 Slot Machine; Key Log and Entry Log.

(a) Any key removed from the secure area established in accordance with paragraph (g) of section 5.6 of these Regulations, shall be returned no later than the end of the shift of the employee of the Franchise Licensee to whom the key was given. The Franchise Licensee shall establish a sign-out and

sign-in procedure for any key and this procedure shall be previously approved by the Company.

(b) Unless the Company, at the request of a Franchise Licensee, authorizes otherwise: each Franchise Licensee shall keep and maintain the slot machine entry authorization logs which are required in paragraph (c) of this section.

(c) Whenever a slot machine or any device connected thereto that may affect the operation of the slot machine is opened, the information that must be recorded is the one indicated in:

(1) subparagraph (d)(1) of this section in a form titled "Slot Machine Attendant Entry Authorization Log," if the machine is opened by an attendant;

(2) subparagraph (d)(2) of this section in a form titled "Slot Machine Technician Entry Authorization Log," if the machine is opened by a technician;

(3) subparagraph (d)(3) of this section in one of the two forms mentioned in subparagraphs (c)(1) and (2) above, if the machine is opened by any authorized person who is not an attendant or a technician.

(d) Each time that any slot machine is opened by:

(1) An attendant, the following information shall be recorded:

(i) the date;

(ii) the time;

(iii) the license number;

(iv) the purpose for opening the slot machine; and

(v) the signature of the authorized attendant who is opening the machine.

(2) A technician, the following information shall be recorded:

(i) the date;

(ii) the time;

(iii) the license number;

(iv) the purpose for opening the slot machine;

(v) the signature of the technician who is opening the machine; and

(vi) the signature of the supervisor of the Franchise Licensee.

(e) Every Slot Machine Entry Authorization Log shall be pre-numbered, kept in the slot machine and shall have, at least, the manufacturer serial number or the asset number of that slot machine.

Section 5.11 Procedures for Slot Machine Hopper Fills

(a) A slot department employee shall be responsible for determining the need for and carrying out slot machine hopper fills. The slot department employee shall:

(1) Verify the necessity of completing a hopper fill;

(2) Notify another slot department employee or supervisor who shall proceed to the slot machine to verify the necessity of completing a hopper fill;

(3) Complete a hopper fill slip, or if a computerized system is used, cause a hopper fill slip to be printed; and

(4) Notify Surveillance.

(b) Hopper fill slips shall contain, at a minimum, the following information:

(1) Name of the Franchise Licensee;

(2) Date and time;

(3) Machine number;

(4) Dollar amount of fill (both alpha and numeric). Alpha is optional if another unalterable method is used for evidencing the amount of the fill;

(5) Preprinted or concurrently printed sequential number; and

(6) Signatures of at least two employees verifying and witnessing the fill.

(c) The slot department employee initiating the fill shall deliver the hopper fill slip to an authorized cashier who shall sign the hopper fill slip and deliver the funds to the slot employee.

(d) The slot employee, accompanied by a security employee, shall then proceed to the slot machine and deposit the funds into the slot machine hopper. The security employee shall sign the hopper fill slip upon witnessing the deposit of the funds into the hopper.

(e) The slot employee shall complete the slot machine entry log in accordance with the regulations for such.

(f) Access to computerized hopper fill systems shall be restricted so as to prevent unauthorized access and fraudulent fills by one person.

(g) Hopper fill slips shall be controlled and routed in a manner that precludes any one person from producing a fraudulent fill by forging signatures or by altering the amount of the fill subsequent to the deposit into the hopper and misappropriating the funds.

(h) Upon conclusion of each drop period, the original of each completed hopper fill slip shall be submitted to the Gaming Division.

(i) The above procedures for slot machine hopper fills shall be the same for Tier I and Tier II Franchise Licensees.

Section 5.12 Manual Payout of Jackpots

(a) When a patron wins a jackpot of coins or tokens which is not totally and automatically paid directly from the slot machine, the attendant shall:

(1) Verify the validity of the winning combination;

(2) Notify another slot department employee or supervisor who shall proceed to the slot machine to confirm the prize; or for slot machines connected to a slot machines computer accounting system

(i) The slot machine accounting system signal of a winning combination sent to the slot booth or cage shall be accepted in lieu of requiring a second employee to confirm the prize if the following requirements are satisfied:

(aa) The signal sent to the slot booth or cage is adequately secure in the opinion of the Gaming Division; and

(bb) If no manual intervention is needed to complete the jackpot payout;

(cc) If such manual intervention is needed, then another slot department employee shall confirm the prize.

(3) Fill out a jackpot payout slip, or if a computerized system is used, cause a jackpot payout slip to be printed; and

(4) Notify Surveillance.

(b) Jackpot payout slips shall contain, at a minimum, the following information:

(1) Name of the Franchise Licensee;

(2) Date and time;

(3) Machine number;

(4) Dollar amount of cash payout (both alpha and numeric) or description of personal property awarded, including fair market value. Alpha is optional if another unalterable method is used for evidencing the amount of the payout;

(5) Game outcome (including reel symbols, card values, and suits) for jackpot payouts. Game outcome is not required if a computerized jackpot/fill system is used;

(6) Preprinted or concurrently printed sequential number; and

(7) Signatures of at least two employees verifying and witnessing the payout.

(c) Jackpot payouts of $1,200 or more shall require the signature and verification of a supervisory level employee as one of the two signatures required in b(7) above. Jackpot payouts of $5,000 or more shall require the signature and verification of a management level employee in addition to the two signatures required in this section.

(d) Prior to paying any jackpot of $5,000 or more, a Gaming Division Inspector shall be notified. The Inspector shall verify the winning combination on the slot machine. The Inspector shall sign the jackpot slip thereby documenting his/her verification of the jackpot and authorizing payment.

(e) No payments resulting from patron disputes shall be paid from the hopper. Short pays of $10.00 or more shall be handled as a jackpot payout. The payout slip shall include the following information:

(1) Date and time;

(2) Machine number;

(3) Dollar amount of payout (both alpha and numeric); and

(4) The signature of at least two (2) employees verifying and witnessing the payout, one of who shall be a supervisor.

(f) Short pays of less than $10.00 shall be treated as a miscellaneous cage payout and shall be made at the discretion of each Franchise Licensee.

(g) Access to computerized jackpot systems shall be restricted so as to prevent unauthorized access and fraudulent payouts by one person.

(h) Payout forms shall be controlled and routed in a manner that precludes any one person from producing a fraudulent payout by forging signatures or by altering the amount paid out subsequent to the payout and misappropriating the funds.

(i) For jackpot payouts of $1,200 or more, the information required by the Gaming Division shall be obtained with respect to identification of the patron.

(j) Upon conclusion of every drop period, the original of each completed jackpot payout slip shall be submitted to the Gaming Division.

(k) The above procedures for manual jackpots shall be the same for Tier I and Tier II Franchise Licensees.

Section 5.13 Progressive Slot Machines.

(a) No Franchise Licensee shall install or operate progressive slot machines in its casino without first obtaining the written authorization of the Company.

(b) Unless otherwise authorized by the Company, each progressive slot machine in a casino shall have, at a minimum, the following identification features:

(1) A mechanical, electrical or electronic device, which shall be known as a progressive meter, visible from the front of the slot machine which increments at a set rate of progression according to the coins placed into the slot machine, and which advises the player the amount he might win if the progressive jackpot combination appears;

(2) A mechanical, electrical or electronic device, which shall be known as a progressive jackpot meter, that shall be visible without opening the door and that continuously and automatically records the number of times a progressive jackpot is hit;

(3) A separate key and key switch to reset the progressive meter or any other reset mechanism that is approved by the Company;

(4) A separate key that locks the compartment containing the progressive meter or other means of preventing any unauthorized alterations to the progressive meter.

(c) Each Franchise Licensee who seeks to operate progressive slot machines shall file a petition to this effect with the Company. The Company, at its discretion, and under the terms and conditions it deems necessary shall approve or deny the petition to operate progressive slot machines in its casino and shall establish the method of operation of the same.

(d) The Company shall be responsible for keeping an accounting of each progressive slot machine.

Section 5.14 Slot Machine Hopper Coin and Token Removal Procedures.

a) If a slot machine should cease to function during the process of paying a prize and the slot machine cannot be promptly repaired, the coins and tokens may be removed from the hopper of the slot machine to be able to complete the jackpot payment by the slot machine. The coins or tokens shall be removed from the hopper of the slot machines by an attendant, under the supervision of an authorized officer of the Franchise Licensee. The removal of the coins or tokens shall be documented in the Slot Machine Entry Authorization Log in accordance with the provisions of section 5.9 of these regulations.

b) If the amount of coins or tokens in the hopper is not enough to pay the prize, the attendant shall proceed to complete the payment in accordance with the provisions for the manual payment of jackpots provided in section 5.15 of these Regulations noting what occurred on the form that is filled out.

c) If the coins or tokens that have been inserted by a patron are not recorded or returned to the patron by the slot machines, the attendant shall remove the coins or tokens from the hopper and return the same to the patron under the supervision of an authorized officer of the Franchise Licensee. The removal of the coins or tokens shall be documented in the Slot Machine Entry Authorization Log in accordance with the provisions of section 5.9 of these Regulations. The Franchise Licensee shall not, under

any circumstances, remove more coins or tokens that the maximum number of coins or tokens than can be wagered at one time in one play of the slot machine.

Section 5.15 Slot Machine Monies and Tokens Collection, Counting, and Recording Procedures.

(a) The Company shall be responsible, exclusively and unavoidably, for removing, counting and recording all the monies and tokens obtained in the operation of the slot machines.

(b) The Company shall coordinate with each Franchise Licensee the specific day or days and time in which the authorized officials of the Company shall carry out the collection, counting and recording of the monies and tokens of the slot machines located in its casino. The Company shall notify the Commissioner of the collection schedule for each casino.

(c) Before commencing the collection process, an official of the Company shall notify the employee of the surveillance department assigned to the CCTV that the collection process shall be commencing. The collection process shall be recorded by the CCTV.

(d) The contents of the slot drop buckets, the slot drop boxes and the slot cash storage boxes shall be counted and recorded immediately after its removal from the slot machines.

(e) The following persons solely and exclusively shall be present during the counting and recording process of the slot machine monies and tokens:

(1) The authorized personnel of the Company;

(2) An authorized representative of the Franchise Licensee; and

(3) An authorized representative of the Commissioner <u>during their audit</u>.

Provided that if an authorized representative of the Franchise Licensee is not present during the entire process of

counting and recording of the slot machine money and tokens, it shall be understood that the Franchise Licensee has waived any claim it may wish to make in the future.

(f) Notwithstanding the provisions of paragraph (d) above, only authorized personnel of the Company shall open, count and record the contents of the slot drop buckets, the slot drop boxes and the slot cash storage boxes.

(g) The Company personnel shall wear a one-piece, pocketless garment and with no openings other than for the neck, hands and feet.

(h) Immediately before opening and counting the contents of the slot drop buckets and the slot drop boxes or the slot cash storage boxes, the doors of the count room shall be closed and an official of the Company shall notify the employee of the surveillance department assigned to the CCTV that the count is about to begin.

(i) The surveillance department shall monitor and make a video tape, with the time and date inserted thereon, of the complete count process, including any entrance to or exit from the count room by any person during the count. The videotape shall be kept by the Franchise Licensee for a period of at least fifteen (15) days from the date of taping unless the Company requires otherwise.

(j) The Franchise Licensee shall provide the necessary security during the entire process of collection and assist the officials of the Company in preparing the area for the collection process.

Section 5.16 Remittance of New Slot Collections

All Franchise Licensees shall forward the net slot collection to the Gaming Division by check or electronic funds transfer no later than the end of the day on which a slot drop takes place. If the funds are not received by the Gaming Division on the day of the slot drop, or if the check is returned unpaid,

the Gaming Division shall, at its discretion, impose a penalty of three (3%) percent per day of the total collection for that day.

Section 5.17 Inspectors; Functions

(a) The Inspectors shall be the direct representatives of the Company in each authorized casino and watch for the strict compliance with the Act, the Regulations and the administrative rules established by the Company.

(b) The functions of the Inspector shall include, among others:

(1) Being in charge of overseeing the slot machines and table games operation in the casino;

(2) Verifying that the equipment, as well as the money reserves and any other aspect connected with the operation of the casino is in accordance with the Act, the Regulations and any administrative standards issued by the Company before opening its doors to the public and during the hours of operation; provided that the Inspector, after obtaining the authorization of its Supervisor, shall order an immediate halt of the casino under extraordinary and/or emergency situations;

(3) Determining through inspections and on-site reviews that the Franchise Licensee complies with the Regulations governing gaming equipment including card and dice controls.

(4) Being responsible for all forms connected with the operation being duly filled out and signed by him;

(5) Ultimately deciding within the casino any claim or controversy that arises in connection with the operation of the slot machines and table games, including situations related to tournaments which are taking place; and

(6) Submitting, in writing, to his supervisor a daily report of the development of gaming at each casino inspected, offering details of any incident that occurred and the action taken. The Franchise Licensee shall request, when deemed necessary, a copy of any report submitted by the Inspector to the

Company, and the Company, at its discretion, shall decide whether said copy may be provided.

(c) Each Inspector shall also communicate to its supervisor and to the manager of the casino or his representative any violation that is committed by any employee of the casino.

(d) The Inspector shall have free access to any facility in the casino or to any other facility that contains gaming equipment or that provides services to the casino; provided that the access to the Inspector shall be limited to matters related with his office.

(e) The decision of an Inspector over any matter related with gaming or with any activity within a casino shall be accepted by the Franchise Licensee or manager of said casino unless this decision has been modified or repealed by a Supervisor; provided that, in case that the Franchise Licensee or manager is not in agreement with said decision, the Franchise Licensee shall request a review in writing to the Company within the next seventy-two (72) hours after the decision is taken. The Gaming Director shall render his judgment within a period that shall not exceed ten (10) days after the request for review was submitted. This decision shall be considered a final order of the Company and may only be reconsidered in accordance with the procedures provided in section 8.24 of these Regulations.

Section 5.18 Inspector and Supervisor Facilities.

(a) Each Franchise Licensee shall provide an office to the Gaming Division adjacent to or in close proximity to the gaming floor. This office shall be, at a minimum, 8 feet by 10 feet and include one desk, one file cabinet and one phone. The lock to this office shall be controlled by the Gaming Division.

(b) Each Franchise Licensee shall provide accessible parking for the Inspector and Supervisor on duty. The location of the establishment shall be previously approved by the Gaming Division.

Section 5.19 Slot Data And Accounting System

(a) All Franchise Licensees shall have an online slot data and accounting system connected to the slot machines in the casino which shall interface directly with the Gaming Division computer systems and which system shall be reviewed by an independent testing laboratory and approved by the Gaming Division. The online system shall be designed to record and monitor the activities of the slot machines, including but not limited to, the following:

(1) Automatically perform all recording functions relating to all slot machine meters including coin-in or credit-in meters, drop meters, coin-out meters, jackpot meters, and similar meters related to slot machines equipped with bill changers.

(2) Provide for the recording of all manually paid jackpots.

(3) Provide for the recording of all fills to slot machine hoppers.

(4) Provide for real time monitoring of door open and other security and maintenance conditions, including a record of each time a machine is opened and the identification of the employee who entered the machine.

(5) Provide for a full array of standard accounting and statistical reports required to analyze slot machine performance and results. Such reports shall, at a minimum, include but not be limited to reports of drop, win, jackpot payouts, hopper fills, and hold percentage (both theoretical and actual) on a daily and cumulative basis.

(b) Maintenance of the online slot system data files shall be performed by a department independent of the slot department. On the other hand, data file maintenance may be performed by slot department supervisory employees if sufficient documentation is generated and said documentation regarding maintenance is

randomly verified on at least monthly by employees independent of the slot department. The Gaming Division shall be informed of all maintenance completed on the online system data files on a monthly basis. Updates to the online slot system to reflect additions, deletions, or movements of gaming machines shall be made prior to in-meter readings and the count process.

(c) All Franchise Licensees shall have an on-site technician who shall be responsible for ensuring that the slot machines are communicating with the online computer system.

(d) Any slot machine that fails to communicate with the online system shall be removed from play until communication is restored. The Gaming Division shall have the discretion to impose sanctions on the Franchise Licensee for machines not in service.

(e) Procedures shall be performed to verify, on a test basis, that the system is transmitting and receiving data from the slot machines properly and to verify the continuing accuracy of the coin-in meter readings as recorded in the slot machine statistical report.

(f) Casino accounting or auditing employees shall review exception reports for the online system on a daily basis for propriety of transactions and unusual occurrences.

(g) A personnel access listing shall be maintained which shall include at a minimum:

(1) Employee name;

(2) Employee identification number (or equivalent); and

(3) A listing of functions an employee can perform or equivalent means of identifying same.

Section 5.20 Standards for Evaluating Theoretical and Actual Hold Percentages

(a) Accurate and current theoretical hold worksheets shall be maintained for each gaming machine and shall be periodically

adjusted as needed, but no less frequently than once a year for slot machines purchased after 1998.

(b) The theoretical hold percentages used in the slot machine analysis reports should be within the performance standards set by the manufacturer.

(c) Records shall be maintained for each machine indicating the dates and type of changes made and the recalculation of theoretical hold as a result of the changes.

(d) Slot machine in-meter readings shall be recorded immediately prior to a slot machine drop. The use of an online slot machine monitoring system would satisfy this requirement.

(e) Upon receipt of the meter-reading summary, the casino accounting department shall review all meter readings for reasonableness using pre-established parameters.

(f) Prior to final preparation of statistical reports, meter readings that do not appear reasonable shall be reviewed with slot department employees or other appropriate designees, and exceptions documented, so that meters may be repaired or clerical errors in the recording of meter readings may be corrected.

(g) A report shall be produced at least monthly showing month-to-date, year-to-date (with previous twelve (12) months data preferred), and if practicable, life-to-date actual hold percentage computations for individual machines and a comparison to each machine's theoretical hold percentage previously discussed.

(h) Each change to a slot machine's theoretical hold percentage, including progressive percentage contributions, shall result in that machine being treated as a new machine in the statistical reports (i.e., not commingling various hold percentages), except for adjustments made to correct variations in theoretical hold percentages.

(i) If promotional payouts or awards are included on the slot machine statistical reports, it shall be in a manner that prevents distorting the actual hold percentages of the affected machines.

(j) The statistical reports shall be reviewed by both slot department management and management employees independent of the slot department on at least a monthly basis. Hard copies of such reports shall be made available to the Gaming Division upon request.

(k) For those machines in play for more than six (6) months, large variances, which for purposes of this regulation are defined as three percent (3%) between theoretical hold and actual hold, shall be investigated and resolved by a department independent of the slot department with the findings documented and provided to the Gaming Division upon request.

Section 5.21 Slot Accounting and Auditing Procedures by Franchise Licensees

(a) Slot machine accounting and auditing procedures shall be performed by employees who are independent of the transactions being reviewed.

(b) For each drop period, accounting or auditing personnel shall compare the coin-to-drop meter reading to the actual drop amount. Discrepancies should be resolved prior to generation and distribution of on-line slot machine monitoring system statistical reports.

(c) Follow-up shall be performed for any one machine having an unresolved variance between actual coin drop and coin-to-drop meter reading in excess of three percent (3%) or over $25.00. The follow-up performed and results of the review shall be documented, maintained for inspection, and provided to the Commissioner and Gaming Division upon request.

(d) At least weekly, accounting or auditing employees shall compare the bill-in meter reading to the total bill acceptor drop

amount for the week. Discrepancies shall be resolved before the generation and distribution of slot machine statistical reports.

(e) Follow-up shall be performed for any one machine having an unresolved variance between actual currency drop and bill-in meter reading in excess of $200.00. The follow-up performed and results of the review shall be documented, maintained for inspection, and provided to the Gaming Division or Commissioner upon request.

(f) At least annually, accounting or auditing personnel shall randomly verify that EPROM or other equivalent game software media changes are properly reflected in the slot machine analysis reports.

(g) All slot machine auditing procedures and any follow-up performed shall be documented, maintained for inspection, and provided to the Commissioner and Gaming Division upon request.

Section 5.22 Slot Department Funds Standards

(a) The slot booths and change banks that are active during the shift shall be counted down and reconciled each shift using appropriate accounting documentation. Such documentation shall provide for the signatures of the individuals performing and accepting responsibility for the count each shift.

(b) The wrapping of loose slot booth and cage cashier coin shall be performed at a time or location that does not interfere with the hard count/wrap process or the accountability of that process.

(c) A record shall be maintained evidencing the transfers of wrapped and unwrapped coins and retained for seven (7) days.

(d) The coin vault shall be counted and reconciled each shift.

CHAPTER 6

EMPLOYEE LICENSE

Section 6.1 Prohibition of Employment in a Casino; Employee License Requirements.

No natural person may work as an employee of a Franchise Licensee in a casino in Puerto Rico or provide services to a Franchise Licensee unless the person has a current Employee License validly issued by the Company, as provided in this Chapter. The Employee License requirement applies to managerial employees as well as non-managerial employees who work in or are directly connected with a casino.

Section 6.2 Persons Who Must Obtain an Employee License.

(a) Unless otherwise approved by the Company, any natural person who carries out or will carry out, or has or will have any of the functions mentioned in paragraphs (b) and (c) of this section shall obtain an Employee License before commencing to work in a casino; provided that the list contained in paragraphs (b) and (c) of this section is not all-inclusive but illustrative, being the guiding rule for determining the necessity of having an Employee License that a person be working as an employee in a casino or be directly connected with a casino.

(b) Any natural person who is going to be employed by a casino Franchise Licensee in a position that includes any of the following responsibilities or powers, regardless of the title, shall obtain a Casino Supervisory Employee License:

(1) The supervision of specific areas of the casino, including, but not limited to, any person who:

(i) Functions as a casino shift manager;

(ii) Functions as a supervisor of a gaming table section;

(iii) Functions as a poker shift supervisor;

(iv) Functions as shift manager or supervisor of the slot machine operation;

(v) Supervises the repair and maintenance of the slot machines and the bill validators;

(vi) Supervises the operation of the surveillance department during a shift;

(vii) Supervises security investigations or the operation of the security department during a shift;

(viii) Functions as manager or supervisor of any cage;

(ix) Supervises any count room, be it a hard count or soft count; or

(x) Supervises the collection unit of the casino.

(2) Authority to develop or administer policy or long-term plans or to make discretionary decisions relative to the operation of the casino shall be considered a Casino Key Employee and shall include, but not be limited to, any person who:

(i) Functions as an officer of Franchise Licensee;

(ii) Functions as a casino manager;

(iii) Functions as the slot machine department manager;

(iv) Functions as director of surveillance;

(v) Functions as director of security;

(vi) Functions as comptroller;

(vii) Functions as credit manager;

(viii) Functions as an audit department executive;

(ix) Functions as manager of the MIS ("Management Information Systems") Department or of any information system of a similar nature;

(x) Manages a marketing department;

(xi) Functions as assistant manager of a necessary casino department as set forth in Section 3A.2; or

(xii) Manages the casino administrative operations.

(xiii) Functions as hotel general manager;

(xiv) Functions as chief financial officer of the hotel and casino;

(xv) Functions as hotel marketing executive

(xvi) Any other person who has the ability to direct, control or manage the casino or who has discretionary authority over casino decision-making.

(c) Any natural person who is going to be employed by a Franchise Licensee in a position which includes any of the following responsibilities related to the operation of the casino, or whose responsibilities predominantly involve the maintenance or the operation of gaming activities or equipment and assets associated with the same, or who is required to work regularly in a restricted area shall obtain a Casino Employee License. Such persons shall include, but not be limited to, any person who:

(1) Functions as a croupier;

(2) Conducts or supervises any table game;

(3) Conducts surveillance investigations and operations in a casino;

(4) Repairs and maintains gaming equipment, including, but not limited to, slot machines and bill validators;

(5) Assists in the operation of slot machines and bill validators, including, but not limited to, persons who participate in the payment of jackpots and in the process of filling hoppers, or who supervise said persons;

(6) Identifies patrons for the purpose of offering them complimentaries based on the actual volume of play of the

patron, authorizes said complimentaries or determines the amount of such complimentaries;

(7) Analyzes casino operation data and makes recommendations to key personnel of the casino relating to casino marketing, complimentaries, gaming, special events and player ratings, among others;

(8) Enters data into the gaming-related computer systems or develops, maintains, installs or operates gaming-related computer software systems;

(9) Collects and records patron checks and personal checks which are dishonored and returned by a bank;

(10) Develops marketing programs to promote gaming in the casino;

(11) Processes or maintains information on casino credit applications;

(12) Processes coins, currency, chips or cash equivalents of the casino;

(13) Repairs or maintains the closed circuit television system equipment as an employee of the surveillance department of the casino;

(14) Is being trained to be a surveillance employee;

(15) Provides physical security in a casino or a restricted area of the same;

(16) Controls or maintains the slot machine inventory, including replacement parts, equipment and tools used to maintain of the same;

(17) Has responsibilities associated with the installation, maintenance or operation of computer hardware for the casino computer system;

(18) Supervises on the casino floor, or a person who is required to be licensed as a casino employee.

(19) Provides food and beverage services on the casino floor;

(20) Maintenance and cleaning personnel who conduct their duties on the casino floor

Section 6.3 Scope and Applicability of the Licensing of Natural Persons.

(a) In determining whether a natural person who provides services to a Franchise Licensee should hold an Employee License, it shall be presumed that such person shall be required to hold an Employee License if the services provided by that person are characterized by any of the following factors, being these indicative that an employment relationship exists:

(1) The natural person will, for a period of time unrelated to any specific project or for an indefinite period of time, directly supervise one of more employees of the Franchise Licensee;

(2) The Franchise Licensee will withhold local and federal taxes or make regular deductions for unemployment insurance, social security, or other deductions required by law from the payments made to the natural person;

(3) The natural person will be given the opportunity to participate in any benefit plan offered by the Franchise Licensee to its employees, including, but not limited to, health insurance plans, life insurance plans or pension plans;

(4) The natural person will not, during the time that services are rendered to the Franchise Licensee, maintain an autonomous business enterprise, seek or provide services to other clients, or practice a trade or profession other than for the benefit of the Franchise Licensee; or

(5) The natural person has an Employee License application pending before the Company or will submit such an application during the time the services are being rendered to the Franchise Licensee, and the cost of the license has been or will be paid for or reimbursed by the Franchise Licensee.

(b) The Company may, after considering the factors in paragraph (a) of this section and any other applicable information, require that the natural person obtain an Employee License before providing or continuing to provide any service to a Franchise Licensee even if an agreement to the contrary exists between Franchise Licensee and the natural person.

Section 6.4 General Parameters for Granting an Employee License.

(a) Each Employee License applicant shall provide the Company with the necessary information, documentation and guarantees which establish through clear and convincing evidence that he/she:

(1) Is older than eighteen (18) years of age;

(2) Is a citizen of the United States of America or is authorized in accordance with the applicable federal laws or regulations to work in the United States of America, or is a legal resident of Puerto Rico before granting of the Employee License.

(3) Possesses good character and reputation, in addition to being honest and having integrity;

(4) The Gaming Division shall deny an employee license to any applicant who does not meet the standards for entity licensing set forth in sections 2.13 (License Standards-Affirmative Criteria) and 2.14 (License Standards-Disqualification Criteria).

(5) Has no physical or mental disability which hinders adequate performance of his work; and

(6) Has passed the training for croupiers in Puerto Rico in the event that he or she will be working at a table or has a valid certificate of completion of training in specific table games a valid gaming license from any legally recognized casino gaming jurisdiction in the United States subject to the approval of the Gaming Division.

(b) Failure to comply with one of the parameters established in paragraph (a) above may be enough reason for the Company to deny an application for an Employee License.

Section 6.5 Form PHD-E; Personal Information Required for Applying for an Employee License.

(a) As part of the initial application for an Employee License provided in section 6.7 of these Regulations, any applicant shall submit the following information on Form PHD-E (Personal History Disclosure - Employee) which shall be provided by the Company for such purposes:

(1) Name, including any aliases or nicknames;

(2) Date of birth;

(3) Current physical and mailing address; Social security number, which information is voluntarily provided in accordance with Section 7 of the Privacy Act", 5 U.S.C.A.552a, or country identification card number if the applicant is a foreign national;

(5) Citizenship or immigration or residency status in the United States or in Puerto Rico;

(6) Telephone number of current place of employment, or if none, home telephone number;

(7) Marital status and information with respect to immediate family;

(8) Employment history, including gaming related employment;

(9) Education and training;

(10) Other licenses which the applicant holds or has applied for in Puerto Rico or in any other jurisdiction, including:

(i) Any license, permit or registry required in order to participate in any legal gaming operation; and

(ii) Any denial, suspension or revocation of a license, permit or certification issued by any governmental agency;

(11) Criminal or investigative or civil proceedings in Puerto Rico or in any other jurisdiction, including arrests, crimes or offenses, in addition to civil litigation history that would include, but not be limited to liens, judgments or bankruptcy filings;

(12) Name, address, telephone number and occupation of persons who can attest to the applicants' good character and reputation; and

(13) Notarized sworn statement in which the applicant declares that all the information provided in the application is true.

(b) Every applicant for an Employee License who will work in a managerial or supervision position in a casino of the type described in section 6.2(b) of these Regulations shall submit, in addition, the following information, as required in a section of Form PHD-E (Personal History Disclosure-Employee):

(1) Any affiliation of applicant with a casino Franchise Licensee or with companies controlling the Franchise Licensee and the position he occupies with the same or his interest in said entity;

(2) Any affiliation of applicant with a casino service enterprise or with companies controlling the casino service enterprise and the position that he occupies with or his interest in said entity.

Section 6.6 Provisional Employee License.

(a) The Company may issue a Provisional Employee License in accordance with the following rules:

(1) The applicant has filed with the Company an initial or renewal application for an Employee License that is

missing a certain document, which is demonstrated to be in the process of being obtained;

(2) At least thirty (30) days have elapsed since the filing if said complete application with the Company;

(3) The Franchise Licensee certifies that:

(i) The applicant will be an employee of its casino within a period that shall not exceed fifteen (15) days following the filing of the application;

(ii) The Provisional Employee License is necessary to fill said opening on an emergency basis in order to continue the efficient operation of the casino; and

(iii) The circumstances are extraordinary and are not intended to affect the usual licensing procedures.

Section 6.7 Initial Employee License Application.

(a) Every initial application for an Employee License shall include:

(1) A duly completed original and a photocopy of Form PHD-E (Personal History Disclosure-Employee), in accordance with section 6.5 of these Regulations;

(2) The documents to identify applicant, as provided in section 6.14 of these Regulations;

(3) Two (2) passport type photographs provided by the applicant taken within the three (3) months preceding the date of the filing of the Employee License application, which shall be stapled to the Form PHD-E, in addition to submission of fingerprinting of the applicant by Gaming Division staff or their designees, which will be submitted for state and federal regulatory inquiry purposes.

(4) Recent Good Conduct Certificate from the Puerto Rico Police;

(5) The fees to be paid as provided in section 6.15 of these Regulations.

(b) Each initial application shall be filed at or mailed to the Company at the address of the Gaming Division indicated in section 1.10 of these Regulations.

Section 6.8 Initial Employee License Application Processing.

(a) The Company shall determine if the initial application complies with all the requirements provided in these Regulations and if any deficiency is found, it shall notify the applicant the deficiency(ies) within twenty (20) days following the filing of the initial application with the Company. Except as provided in section 6.6 of these Regulations, the Company shall not evaluate any incomplete initial application.

(b) Once the Company has determined that the initial application filed is complete, the Company shall:

(1) Accept the application and initiate the procedure for considering the same;

(2) Notify in writing the applicant or his representative, if any, that the application has been accepted for consideration. Said notice shall also include:

(i) The date of said acceptance;

(ii) The file number of the application; and

(iii) An admonishment to the applicant that the fact that the application has been accepted for consideration does not mean that the applicant has complied with the requirements of the Act or the Regulations to issue the license;

(3) Analyze and evaluate the information offered in the application and any other information necessary to determine if the requested license should be granted;

(4) Make a decision with respect to the requested license; and

(5) Notify the applicant of the decision taken. If the decision consists of a denial of the license, the Company shall inform the applicant the reason or reasons for the denial and of his right to request a reconsideration of the decision of the Company following the adjudicative procedures provided in section 8.24 of these Regulations. For purposes of these Regulations, a denial of an initial license application shall be considered a final order of the Company.

(c) The Company, at any time, may request from an applicant for an Employee License any other information it may deem necessary in order to make a decision with respect to the application.

Section 6.9 Employee License Duration.

(a) All Casino Employee and Casino Supervisory Licenses shall be issued by the Gaming Division for a period of two (2) years.

(b) All Casino Key Employee Licenses shall be issued by the Gaming Division for (3) years.

(c) Notwithstanding the provisions of paragraph (a) above, the Company may, as deemed necessary, issue any Employee License for a shorter period.

Section 6.10 Date to Submit Employee License Renewal Application

All Employee License holders of any category shall renew their licenses by filing with the Company an Employee License renewal application. The completed renewal application shall be filed with the Gaming Division no later than 60 days prior to expiration of the license.

Section 6.11 Employee License Renewal Application.

(a) The Employee License renewal application shall include:

(1) A duly filled out original and a photocopy of Form PHD-ER (Personal History Disclosure-Employee Renewal), which shall contain all the information which has changed since the

date of the initial Employee License application or of the last renewal.

(2) The documents that identify the applicant, as provided in section 6.14 of this Regulations;

(3) Two (2) passport type photographs provided by the applicant taken within the three (3) months preceding the date of the filing of the Employee License renewal application, which shall be stapled to the Form PHD-ER; and the submission of fingerprints which shall be taken by the Gaming Division or their designee of the applicant and submitted to state and federal authorities for regulatory purposes;

(4) Recent Good Conduct Certificate from the Puerto Rico Police;

(5) The fees to be paid as provided in section 6.15 of these Regulations.

(b) All renewal applications shall be filed with or mailed to the Company to the address of the Gaming Division indicated in section 1.10 of these Regulations.

(c) Any person who fails to submit a completed renewal application in accordance with this section or in accordance with the provisions of paragraph (a) of section 6.12 of these Regulations shall be considered as not having filed a renewal application with the Company and his license shall be cancelled on the expiration date.

(d) Any person whose current license is cancelled pursuant to this section may, before the date of expiration of the current license, or at any time after the expiration, apply for an Employee License; provided that his application, for all purposes of these Regulations, shall be considered an initial Employee License application and shall comply with sections 6.7 and 6.8 of these Regulations.

Section 6.12 Employee License Renewal Application Processing.

(a) The Company shall determine if the renewal application filed complies with all the requirements provided in these Regulations and if any deficiency is found, it shall notify the applicant of the deficiency(ies) within fifteen (15) days following the filing of the renewal application with the Company; provided that the Company may, at its discretion and depending on the magnitude of the deficiency(ies) notified, grant an opportunity for the applicant to cure any deficiency notified within the period and under the conditions determined by the Company at said time. Any application where a deficiency has been cured in accordance with the above shall be deemed to have been filed complete within the period required by these Regulations.

(b) Upon receipt of an application for renewal of an Employee License duly completed and filed within the period required by these Regulations, the Company shall carry out the investigation it deems necessary.

(c) The Company shall make a decision with respect to each completed license renewal application which has been submitted within a reasonable period of time after its filing.

(d) The Company shall notify the applicant of the decision made. If the decision consists of a denial of the renewal of the license, the Company shall inform the applicant the reason or reasons for the denial and of his right to request a reconsideration of the decision of the Company following the adjudicative procedures provided in section 8.24 of these Regulations. For purposes of these Regulations, a denial of a license renewal application shall be considered a final order of the Company.

Section 6.13 Responsibility for Establishing Qualifications and to Disclose and Cooperate.

(a) Each applicant shall be responsible for providing the information, documentation and assurances required for establishing through clear and convincing evidence that his qualifications are in accordance with the Act and the Regulations.

(b) It shall be the continuing responsibility of every applicant or holder of an Employee License to provide all the information, documentation and assurances that may be required by the Company pertaining to the qualifications, and to cooperate with the Company. Any refusal of an applicant to comply with a formal request for information, evidence or testimony from the Company shall be sufficient cause for a denial or revocation of the license.

Section 6.14 Identification of the Applicant.

(a) Every applicant for an Employee License shall establish his identify with reasonable certainty.

(b) The applicant shall establish his identity in one of the following ways:

(1) Providing one (1) of the following authentic documents:

(i) A current United States of America passport;

(ii) A Certificate of United States citizenship, or Certificate of Naturalization issued by the United States Department of Justice, Immigration and Naturalization Service or INS; or

(iii) A current permanent resident card issued by the INS, which contains a photograph; or

(2) Presenting two (2) of the following authentic documents:

(i) Certified copy of the birth certificate issued by the corresponding governmental agency;

(ii) Current driver's license containing a photograph or information about the name, date of birth, sex, height, color of eyes and address of the applicant;

(iii) Current identification card issued by the Federal Department of Defense to persons who serve in the United States military or their dependents containing a photograph or information about the name, date of birth, sex, height, color of eyes and address of the applicant;

(iv) Current student identification card which contains a photograph, student number or social security number, date of expiration, seal or logo of the issuing institution, and the signature of the card holder;

(v) Current country identification card issued by the federal government or government issued identification credential that contains a photograph and other information such as name, date of birth, sex, height, color of eyes and address of the applicant;

(vi) Current identification card issued by the Immigration and Naturalization Service containing a photograph or information about the name, date of birth, sex, height, color of eyes and address of the applicant; or

(vii) An unexpired foreign passport authorized by the Immigration and Naturalization Service.

Section 6.15 Fees Payable.

The fees payable for the initial or renewal application for an Employee License shall be determined by the Gaming Division based on the position occupied by the employee; provided that said fees shall be $100 for an Employee License, $250 for a Supervisory License, and $500 for a Key Employee License. Notwithstanding the foregoing, the Gaming Division may request additional fees from the applicant to cover investigation costs for supervisory and key employees. Licenses for all applicants will be issued on the date of the applicants' birth date. For initial licensing purposes, all applicants will be charged the full fee described above.

Section 6.16 Prohibition of Employment with Expired License.

No employee with an expired license shall work in a position or shall exercise functions for which such license is required, with the understanding that if such employee is found working without a current and valid license, the employee, as well as the service enterprise or the Franchise Licensee employing the employee shall be subject to the sanctions stipulated in section 13.4 of the Games of Chance Regulations.

Section 6.17 Obligation to Pay the Fees; No Refund of Fees Paid

(a) Any payment of fees arising from these Regulations shall be paid in full even if the applicant withdraws his Employee License application.

(b) The Gaming Division shall not refund to the applicant any amounts paid as licensing fees.

(c) The casino employee license fees shall be paid by the applicant.

Section 6.18 Miscellaneous Administrative Fees.

(a) All lost Employee Licenses shall be replaced by the Company at a cost of ten dollars ($10.00), to be paid by the employee.

(b) Any change to the Employee License requested by the employee that was not caused by an omission or negligence of the Company shall carry a charge of ten dollars ($10.00), to be paid by the employee.

Section 6.19 Change of Position or Place of Work

(a) All natural persons who perform any of the functions described in paragraph (c) of section 6.2 of these Regulations or any that are similar to those functions and for any reason his functions change to any of the functions mentioned in paragraph (b) of section 6.2 of these Regulations or one that is similar to those shall file a new application with the Company in accordance with the provisions of section 6.11 of these Regulations within fifteen (15) days following the change in his position.

(b) A license setting forth more than one position may be issued to any licensed casino employee by the Gaming Division upon application by the casino licensed employee or the Franchise Licensee. Said request would be reviewed by the Gaming Division to insure that their dual license status would not be deemed an incompatible function by the regulators. The review will be conducted in a timely manner and disseminated to the applicant in writing.

(c) Any person licensed by a Franchise Licensee as a casino key employee, casino supervisory employee or casino employee position shall notify the Gaming Division in writing of any change of employment to another Franchise Licensee within thirty (30) days of assuming his new position.

(d) Any change in title that entails a change in the job classification, the employee shall pay the total amount of the fees for such classification according to section 6.15.

Section 6.20 Carrying of Licenses and Credentials.

(a) All persons to whom the Company has issued an Employee License must carry the Employee License on their person in a

visible and conspicuous manner, at all times while carrying out their functions.

(b) No Franchise Licensee shall permit a person to work in its casino without said person carrying his Employee License as provided in paragraph (a) above.

Section 6.21 Authority.

(a) Nothing provided in this Chapter shall be interpreted as limiting the authority and powers of the Company to at any time:

(1) Investigate the qualifications of any holder of an Employee License; and

(2) Suspend and/or revoke an Employee License if the holder of the license does not comply with the requirements provided in the Act or in the Regulations.

Section 6.22 Transitory Provisions.

(a) All persons who on the date these Regulations enter into effect holds a valid license issued by the Company:

(1) Shall continue to exercise their functions under that license until the expiration date of the same; and

(2) Shall renew, for one (1) year from the effective date of these Regulations, said license in accordance with the procedures in existence for the renewal of licenses immediately prior to the effective date of these Regulations.

(b) The Company, for the year following the effective date of these Regulations:

(1) Shall evaluate and issue any renewal application for a license in existence on the effective date of these Regulations under the same criteria and parameters existing immediately before the effective date of these Regulations; and

(2) Shall use and apply the same criteria and parameters existing immediately before the effective date of these Regulations to revoke or suspend a license in existence on the effective date of these Regulations.

(c) After the one (1) year period provided in paragraphs (a) and (b) above has elapsed, any person who on the effective date of these Regulations holds a valid license issued by the Company shall submit an initial Employee License application in accordance with these Regulations at least sixty (60) days prior to the date of expiration of his license.

(d) Any person who on the date these Regulations enter into effect does not hold a license from the Company to carry out his functions, and who in accordance with the provisions of these Regulations would need an Employee License, shall file an initial application within thirty (30) days following the effective date of these Regulations.

(e) Except as provided hereinabove, all persons shall comply with all the provisions of these Regulations as of the date on which these Regulations enter into effect.

CHAPTER 7

CASINO SERVICE INDUSTRY LICENSE AND CASINO SERVICE INDUSTRY EMPLOYEE LICENSE

Section 7.1 Restriction on Doing Business.

(a) No enterprise shall provide equipment or services related with the operation of a casino, or the games, or in another manner shall carry on business related with activities of a casino with a Franchise Licensee, its employees or agents, unless it holds a current Service Industry License validly issued by the Company in accordance with these Regulations, except as provided in Section 7.14.

(b) No enterprise shall manufacture, sell or lease, distribute, repair or provide maintenance services to slot machines in Puerto Rico unless it holds a current Service Industry License validly issued by the Company in accordance with these Regulations.

Section 7.2 Parameters for Determining the Need for a Service Industry License.

(a) Any enterprise which meets one or more of the following criteria shall be considered a casino service industry and, unless otherwise authorized by the Company or unless otherwise set forth in these Regulations, shall obtain a Service Industry License to do business in Puerto Rico:

(1) The enterprise manufactures, sells or leases, supplies or distributes devices, machines, equipment, accessories, objects or articles which:

(i) are designed specifically for use in the operation of a casino;

(ii) are needed to carry out an authorized game;

(iii) have the capacity to affect the result of the play of an authorized game; or

(iv) have the capacity to affect the calculation, storage, collection or control of the gross revenues;

(2) The enterprise provides maintenance services or repairs gaming equipment, including slot machines;

(3) The enterprise provides services directly related to the operation, regulation or administration, among others, of a casino;

(4) The enterprise provides those other articles or services which the Company has determined that are used in or are incidental to gaming, or to an activity of a casino and that, therefore, require a license from the Company in order to protect the trust, credibility and integrity of the Puerto Rico gaming industry;

(5) Schools that teach games of chance and gaming techniques in Puerto Rico; and

(6) Credit reports service providers for casinos and suppliers of security services for casinos.

(7) Individual Junket Operator's and their respective companies.

(b) The list contained in paragraph (a) above is not all-inclusive, but illustrative.

Section 7.3 General Parameters for Granting Service Industry Licenses.

(a) All Service Industry License applicants shall submit to the Company the information, documentation and guarantees necessary to establish through clear and convincing evidence:

(1) For companies that are validly licensed by the Casino Control Commission of the State of New Jersey, the Gaming Division may nevertheless require the senior person representing the company in Puerto Rico to file for a license in conjunction with the service industry license application.

(2) The stability, integrity and economic responsibility of the applicant;

(3) The good character (if an individual), honesty and integrity of the applicant;

(4) That the owners, administrative and supervisory personnel, principal employees and sales representatives of the applicant comply with the parameters provided in section 7.10 of these Regulations;

(5) The integrity of the investors, mortgage creditors, guarantors and holders of bonds, notes and other evidences of debt which are in any way related to the enterprise; and

(6) The integrity of all the officers, directors and trustees of applicant.

(7) If the applicant is not a publicly traded company, the applicant shall produce proof of beneficial ownership. Stock ownership shall be issued to bona fide individuals or entities and shall not be in the form of nominee or bearer shares.

Section 7.4 Initial Application for a Service Industry License.

(a) The initial application for a Service Industry License shall consist in:

(1) An original and a copy of the following documents:

(i) Evidence that proves that the same is a casino service industry authorized by the Casino Control Commissioner of the State of New Jersey. This evidence shall include:

(aa) any amendment to the license,

(bb) proof of the validity of the license; and

(cc) expiration date of the license;

(ii) Form DCE-INDUSTRY (Disclosure by Commercial Entity - Casino Service Industry) to be

completed by the applicant and by each holding company of applicant;

(iii) Form PDPRSI (Personal Disclosure of Persons Related with Service Industries) to be completed by each natural person who must be qualified by the Company in accordance with section 7.9 of these Regulations; and

(2) The fees to be paid, as provided in section 7.7 of these Regulations.

(b) Every initial application shall be filed at or mailed to the Company at the address of the Gaming Division indicated in section 1.10 of these Regulations.

(c) The Company shall not evaluate an initial Service Industry License application unless the same is accompanied by all the information required in these Regulations, including all the documents requested in paragraph (a) above; provided that any incomplete application filed with the Company shall be deemed to be as if the same had not been filed.

(d) Burden of proof

It shall be the responsibility of the service industry applicant and its principals to provide information and or documentation and to demonstrate their qualifications by clear and convincing evidence relative to the character, honesty and integrity of its directors, officers, stockholders and principal employees to the Gaming Division.

Section 7.5 Duration of the License; Renewal.

(a) Every Service Industry License shall be issued by the Gaming Division for a period of three (3) years.

(b) Notwithstanding the provisions of paragraph (a) above, the Company may, as it may deem necessary, issue any Service Industry License for a shorter period.

Section 7.6 Service Industry License Renewal Application.

(a) Every Service Industry License renewal application shall be filed no later than one hundred twenty (120) days prior to the expiration date of said license.

(b) The Service Industry License renewal application shall include:

(1) A duly completed original and a photocopy of:

(i) Such evidence that proves that it is a casino service industry authorized by the Casino Control Commissioner of the state of New Jersey. This evidence shall include:

(aa) any amendment to the license,

(bb) proof of the validity of the license; and

(cc) expiration date of the license; or such information that the Company may require if the applicant has been exempted by the Company from the requirement of having a New Jersey license;

(ii) Form DCE-INDUSTRY (Disclosure by Commercial Enterprise - Casino Service Industry) which shall contain all the information that has changed from the date of the application for the initial Service Industry License or of the last renewal, to be completed by the applicant and by each holding company of applicant;

(iii) Form PDPRSI (Personal Disclosure of Persons Related with Service Industries) to be completed by each natural person who must be qualified in accordance with section 7.9 of these Regulations, and who has not been qualified by the Company; and

(iv) Form PDPRSI-R (Personal Disclosure of Persons Related with Service Industries-Renewal) to be completed by any natural person required to be qualified in accordance with section 7.9 of these Regulations and who has already been qualified by the Company;

(2) The fees to be paid, as provided in section 7.7 of these Regulations.

Section 7.7 License Fees.

(a) The fees to be paid for the initial or renewal application for a Service Industry License shall be determined by the Gaming Division; provided that said fees shall not be less than five hundred dollars ($500.00), nor more than twenty five thousand dollars ($25,000). The fees to be paid for the initial application shall cover administrative costs related to the processing of the application and investigative fees to conduct a background investigation of the company and its qualifiers. Notwithstanding the cap on fees, under special circumstances determined by the Gaming Division, the applicant may be charged additional fees to complete a background investigation to the standards set forth in these regulations.

(b) The renewal application fee will be $1,000, payable to the Gaming Division and submitted with the Service Industry License Renewal Form.

Section 7.8 Disqualification Criteria

The Gaming Division may deny a Service Industry License to any applicant which, in the opinion of the Gaming Division:

(a) has not proven through clear and convincing evidence that the applicant and any of the persons required to be qualified in accordance with these Regulations are in fact duly qualified; or

(b) has violated any of the provisions of the Act or the Regulations; or

(c) has failed to provide information or documentation requested in writing by the Gaming Division in a timely manner, which shall not exceed (30) business days from the date of request by the Gaming Division without reasonable justification.

(d) The Gaming Division shall deny a vendor license to any applicant who does not meet the standards for entity licensing set forth in 2.13 (License Standards-Affirmative Criteria) and 2.14 (License Standards-Disqualification Criteria).

Section 7.9 Qualification Requirements Before Granting a Service Industry License.

(a) The Company shall not issue a Service Industry License to any enterprise unless the applicant has established in advance the individual qualifications of each one of the following persons:

(1) The enterprise;

(2) The holding company(ies) of the enterprise;

(3) Every owner of the enterprise who has, directly or indirectly, any interest in or is the owner of more than five percent (5%) of the enterprise;

(4) Every owner of a holding company of the enterprise that the Company deems necessary to promote the purposes of the Act and the Regulations;

(5) Any director of the enterprise, except such director who, in the opinion of the Company, is not significantly involved in or connected with the administration of the enterprise;

(6) Every officer of the enterprise who is significantly involved in or who has authority over the manner in which the business dealing with the activities of a casino is conducted and any officer who the Company considers necessary to protect the good character, honesty and integrity of the enterprise;

(7) Any officer of the holding company of the enterprise who the Company considers necessary to protect the good character, honesty and integrity of the enterprise;

(8) Any employee who supervises the regional or local office that employs the sales representatives who shall solicit business from or negotiate directly with a Franchise Licensee;

(9) Any employee who shall function as a sales representative or who shall be regularly dedicated to soliciting business from any Franchise Licensee in Puerto Rico or any technological employee who has access to the casino floor in the performance of his job duties.

(10) Any other person who the Company considers should be qualified.

(b) To establish the individual qualifications, the persons specified in subparagraphs (a)(1) and (a)(2) of this section shall complete Form DCE-INDUSTRY, the requirements of which are detailed in section 7.16 of these Regulations.

(c) To establish the individual qualifications, the persons specified in subparagraphs (a)(3) through (a)(10) of this section shall complete Form PDPRSI (Personal Disclosure of Persons Related with Service Industries) as provided in section 7.17 of these Regulations.

Section 7.10 General Parameters to Qualify as a Person Connected with Casino Service Industry.

(a) Any natural person who is required to qualify, because of his relationship with a Service Industry License applicant, shall provide to the Company the information, documentation and assurances necessary to establish through clear and convincing evidence:

(1) His relationship with the enterprise;

(2) That he is older than eighteen (18) years of age;

(3) The Gaming Division shall deny any person required to qualify in conjunction with a casino service industry license

who does not satisfy the standards for entity licensing set forth in 2.13 (License Standards-Affirmative Criteria) and 2.14 (License Standards-Disqualification Criteria).

(4) That he has not been convicted by a state or federal court of justice or a court of justice of any other jurisdiction of:

(i) committing, intending to commit or conspiring to commit a crime of moral turpitude, illegal appropriation of funds or robbery, or any violation of a law related to games of chance, or a crime which is contrary to the declared policy of Puerto Rico with respect to the gaming industry; or

(ii) committing, intending to commit or conspiring to commit a crime which is a felony in Puerto Rico or a misdemeanor in another jurisdiction which would be a felony if committed in Puerto Rico.

(b) Failure to comply with one of the requirements set forth in paragraph (a) above shall be sufficient cause for the Company to deny a Service Industry License.

Section 7.11 Investigations; Supplementary information; Approval of Change.

(a) The Gaming Division may, at its discretion, conduct any investigation with respect to an applicant or any person related with an applicant which it deems pertinent, either at the time of the initial application or at any subsequent time.

(b) It shall be the continuing duty of any applicant or holder of a Service Industry License to fully cooperate with the Gaming Division during any investigation and to provide any supplementary information that the Gaming Division requests.

(c) The applicant shall file with the Gaming Division for its approval, within ten (10) business days, any change in the

applicant or holder of a Service Industry License the original state of which was a condition imposed by the Gaming Division for the granting of the initial Service Industry License or the renewal of said License; provided that any change in the ownership of the applicant or the holder of a Service Industry License or any change in the ownership of any holding or intermediary company of the enterprise which represents five percent (5%) or more of the total shares issued and outstanding or of the total participation in the same, except when the holding or intermediary company is a publicly-traded corporation, not approved by the Gaming Division shall be sufficient cause for invalidating any license or prior approval granted by the Gaming Division. The proposed new owner shall submit to the Gaming Division an initial Service Industry License application and evidence that he is qualified to receive the same.

Section 7.12 Cause for Suspension, Failure to Renew, or Revocation of a Service Industry License.

(a) Any of the following reasons shall be considered sufficient cause for the suspension, denial of renewal or revocation of a Service Industry License:

(1) Violation of any provision of the Act or the Regulations;

(2) Conduct, which would disqualify the applicant, or any other person, required to be qualified by the Company;

(3) Failure to comply with any applicable law, regulation, federal, state or municipal ordinance;

(4) The material deviation of any representation made in the application for the Service Industry License.

(b) Notwithstanding the provisions of subparagraph (a) above, any other cause that the Company deems reasonable shall be considered sufficient cause for the suspension, denial of renewal or revocation of a Service Industry License.

Section 7.13 Special Authorization to Conduct a Commercial Transaction in the Absence of a Service Industry License.

(a) The Company, at its discretion, may permit an Service Industry License applicant to carry out a commercial transaction with a Franchise Licensee before said service industry enterprise has obtained the Service Industry License required provided that:

(1) The applicant has filed with the Company a completed application for a Service Industry License;

(2) At least thirty (30) days has passed since the filing of said completed application with the Company; and

(3) The Franchise Licensee submits to the Company a petition for special authorization to carry out a commercial transaction in the absence of a Service Industry License that contains:

(i) sufficient reasons to convince the Company to grant the special authorization to the enterprise; and

(ii) a detailed description of the commercial transaction that it desires to carry out.

(b) The Company shall evaluate said petition for special authorization to conduct a commercial transaction in the absence of a Service Industry License and shall notify its decision in writing within a reasonable period.

(c) Any commercial transaction conducted under a special authorization in the absence of a Service Industry License shall be notified to the Company by the enterprise and the Franchise Licensee within ten (10) days following the carrying out of the commercial transaction. The notification shall at least contain the date of the transaction and the description of the commercial transaction carried out.

Section 7.14 Exemption to Enterprise.

(a) The Company may exempt an enterprise from the requirement of obtaining a Service Industry License if the

Company determines that said enterprise is not operating its business in a regular or continuous manner in Puerto Rico.

(b) Any enterprise that is interested in obtaining an exemption from the requirement of obtaining a Service Industry License in accordance with this section shall apply in writing to the Company for said exemption.

(c) The exemption application provided in this section shall contain the following information:

(1) Name, address and detailed description of the service offered by the enterprise;

(2) Name of the owners, directors, officers and managerial employees of the enterprise;

(3) Franchise licensees in Puerto Rico to whom they will provide services and a description of the service to be provided, including the quantity and cost of the services;

(4) Number and frequency of the transactions;

(5) Dollar amount of the transactions; and

(6) Sufficient reasons to convince the Company as to why granting the enterprise a license is not necessary to protect the public interest or advance the policies set forth in the Act.

(d) The Company may determine that an enterprise is not operating its business in a regular and continuous manner in Puerto Rico if the applicant demonstrates, to the satisfaction of the Company, that the goods or services provided by the enterprise are in minimal or insignificant amounts, and that granting the same a Service Industry License is not necessary to protect the public interest or advance the policies established by the Act.

(e) To determine whether an enterprise operates or will operate in a regular or continuous manner in Puerto Rico, the Company may take the following factors into consideration, among others:

(1) Number of transactions;

(2) Frequency of the transactions;

(3) Dollar amount of transactions;

(4) Nature of the equipment or services rendered or business carried out;

(5) Maximum period of time needed to provide the equipment, carry out the services or complete in its entirety the business object of the transaction; and

(6) The public interest and the policy established by the Act.

(f) Any enterprise which has been exempted by the Company from the requirement of obtaining a Service Industry License in accordance with this section shall obtain the prior written approval of the Company before carrying out any commercial contract or transaction in Puerto Rico.

Section 7.15 Records.

(a) All casino service industry enterprises authorized by the Company shall maintain in a place secure against robbery, loss or destruction the records corresponding to the business operations, which shall be available to, and be produced for the Company should the Company request them. Said records shall include:

(1) Any correspondence with the Company and other governmental agencies at a local, state and federal level;

(2) Any correspondence related to the business with a casino, whether proposed or existing;

(3) Copies of any publicity and promotional materials;

(4) The personnel files for every employee of the authorized service industry enterprise, including those for the sales representatives;

(5) The financial records for all the transactions related to the business with a casino, whether proposed or existing;

(b) The records listed in subparagraph (a) above shall be kept at least for a period of five (5) years.

Section 7.16 Form BED-INDUSTRY; Business Enterprise Disclosure - Service Industry.

(a) Form BED-INDUSTRY (Business Enterprise Disclosure - Service Industry) shall be completed in the format provided by the Company and may require the following information:

(1) The current and former official names used by the enterprise and the dates of use;

(2) The current and former address of the enterprise;

(3) The telephone number of the enterprise;

(4) Specify if the application is for an initial license or a renewal and, if it is a renewal, indicate the current license number and the expiration date of the same;

(5) Corporate form, and if applicable, a copy of the certificate of incorporation, by-laws, partnership agreement, trust agreement and any other documentation related to the legal organization of the enterprise;

(6) Certificate issued by the State Department of Puerto Rico and by the corresponding governmental entity in the jurisdiction of incorporation of the enterprise to the effect that the enterprise has complied with all the legal requirements ("Good Standing Certificate");

(7) A description of the current and former business carried out by the enterprise, or by an intermediary, subsidiary or holding company of the enterprise;

(8) A description of the nature, type, number of shares, terms, conditions, rights and privileges of all classes of stock issued by the enterprise, if any, or those it plans to issue;

(9) The name, address, date of birth (if applicable), number and percent of shares owned by each person or entity with a beneficiary interest in any non-voting shares;

(10) The name, address, date of birth, title or position, and, if applicable, the percent of ownership in the enterprise of the following persons:

(i) Every officer, director or trustee;

(ii) Every owner, or partner, including all the partners, whether general, limited or any other type;

(iii) Every beneficial owner who owns more than five percent (5%) of the voting shares;

(iv) Every sales representative or other person who shall regularly solicit business from a Franchise Licensee ;

(v) Every manager who supervises a local or regional office which employs sales representatives or other persons who solicit business from a Franchise Licensee; and

(vi) Any other person not specified in subparagraphs (a)(10)(i), (ii), (iii), (iv), and (v) above and who has signed or will sign service agreements with a Franchise Licensee;

(11) A diagram that illustrates the ownership interest of any other person who has an interest in the applying enterprise;

(12) The name, last known address, date of birth, position occupied in the enterprise, dates in said position, and the reason for leaving of any former officer or director who occupied any position during the preceding ten (10) years;

(13) The annual compensation of each one of the partners, officers, directors and trustees;

(14) The name, home address, date of birth, position, length of employment, and the amount of compensation for every person, who is not one of those identified in subparagraph

(a)(13) above and who is expected to receive an annual compensation of more than fifty thousand dollars ($50,000.00);

(15) A description of any bonus, profit sharing, pension, retirement, deferred compensation or similar plans;

(16) If the enterprise is a partnership, a description of each partner's interest in the enterprise including the amount of initial investment, the amount of additional contributions, the amount and nature of any investment which is anticipated in the future, each partner's degree of control and each partner's percent of ownership;

(17) A description of the nature, type, terms, agreements and priorities of any debt or payment obligation, and the name, address and date of birth of each creditor and holder of a security, the type and class of debt instrument it has, the original amount of the debt and the present balance of the same;

(18) A description of the nature, type, terms and conditions of securities options;

(19) The following information with respect to each account existing in the name of the enterprise or which is under the direct or indirect control of the enterprise:

(i) Name and address of the financial institution;

(ii) Type of account;

(iii) Account number; and

(iv) Period of time it has had the account(s);

(20) A description of all the contracts for twenty-five thousand dollars ($25,000.00) or more or those worth more than that amount, including employment contracts with a duration of more than one (1) year, and contracts in which the enterprise has received twenty-five thousand dollars ($25,000.00) or more in goods or services in the last six (6) months;

(21) The name and address of each company in which the enterprise holds shares, the type of shares held, purchase price per share, number of shares held and percent of ownership;

(22) Information regarding any transaction during the last five (5) years which has caused a change in ownership of a beneficial interest of the securities of the enterprise of an officer or director who owned more than ten percent (10%) of any class of equity security;

(23) A description of any civil, criminal, investigatory and administrative proceeding in which the enterprise, its subsidiaries, managers, officers, directors or shareholders have been involved, and which includes:

(i) Any arrest, indictment, charge or conviction for a criminal action or personal offense;

(ii) Any criminal proceeding in which the enterprise or any of its subsidiaries has been a party or has been named as co-conspirator;

(iii) If any civil litigation exists wherein the damages might possibly exceed fifty thousand dollars ($50,000.00), except for claims covered by an insurance policy;

(iv) Any trial, judicial decree or order against the enterprise related to a violation or alleged violation of the federal antitrust, trade regulation or securities laws or similar laws of any jurisdiction;

(24) Information concerning the enterprise or any holding or intermediary company of the enterprise relating to orders or bankruptcy or insolvency petitions and any relief sought under any provision of the Federal Bankruptcy Act or any state insolvency law, and any receiver, fiscal agent, trustee or similar officer appointed for the property or business of the

enterprises or any holding, intermediary or subsidiary company of the same;

(25) Whether the enterprise has had any license or certificate denied, suspended or revoked by an agency of the government of Puerto Rico or any other jurisdiction, the nature of such license or certificate, the agency and its location, the date of such action, the reasons therefore and the facts related thereto;

(26) Whether the enterprise has previously applied for a license, permit or authorization to participate in a legal gaming operation in Puerto Rico or in any other jurisdiction, the agency and its location, the date of the application, the nature of the permit or authorization of such license, the number of the same and the expiration date;

(27) A copy of each one of the following:

(i) Annual reports for the last five (5) years;

(ii) Any annual report prepared during the last five (5) years on Form 10K pursuant to Sections 13 or 15d of the United States Securities and Exchange Act of 1934, as amended;

(iii) Audited financial statements for the last fiscal year, including, but not limited to, income and expense statements, balance sheets, cash flow statements and the notes corresponding to said financial statements;

(iv) Copies of all financial statements, whether audited or unaudited, prepared during the last five (5) fiscal years;

(v) The most recent quarterly unaudited financial statement prepared by or for the enterprise or, if the enterprise has been registered

with the Securities and Exchange Commission, a copy of a recently filed Form 10Q;

(vi) Any recent report prepared due to a change in control of the enterprise, an acquisition or disposition of the assets, bankruptcy or receivership proceeding, change in the certification from the accountant of the enterprise or any other important event, or, if the enterprise is registered with the United States Securities and Exchange Commission, a copy of the most recently filed Form 8K;

(vii) The most recent proxy or financial statement filed in accordance with Section 14 of the Securities and Exchange Act of 1934, as amended;

(viii) Registration Statements filed in the last five (5) years pursuant to the Securities Act of 1933, as amended;

(ix) All reports and correspondence submitted within the last five (5) years by independent auditors for the enterprise that pertain to the issuance of financial statements, managerial advisory services or internal control recommendations;

(28) An organizational chart of the enterprise, including descriptions of the positions and the names of the persons holding said positions;

(29) Copies of all Internal Revenue Forms 1120 (corporate income tax returns), all Internal Revenue Forms 1065 (partnership returns) or all Forms 1040 (personal income tax return) and all Puerto Rico income tax returns (if applicable) filed during the past five (5) years;

(30) Certificate issued by the Treasury Department of Puerto Rico certifying that the enterprise has filed its income tax returns;

(31) Negative Debt Certificate issued by the Treasury Department of Puerto Rico; and

(32) Negative Debt Certificate issued by the Municipal Revenue Collection Center ("CRIM," by its Spanish acronym).

(b) In addition to the information in (a) above, a completed BED-INDUSTRY Form shall include a Release Authorization authorizing governmental and private organisms to release any information pertaining to the applicant which may be requested by the Company and a notarized sworn statement whereby applicant declares that all the information supplied in the application is true.

(c) The application shall be signed by the president of the enterprise, general manager, partners, general partner or any other person authorized by the enterprise.

Section 7.17 Form PDFPSI (Personal Disclosure Form for Persons Related with Service Industries).

(a) The Company may require the following information in Form PDFPSI from all those natural persons required under section 7.9 to fill out the same:

(1) Name, physical and mailing address, telephone number and name of contact person of the enterprise;

(2) Name, including any nicknames and aliases;

(3) Date of birth;

(4) Current physical and mailing address;

(5) Social security number, which information is voluntarily provided in accordance with Section 7 of the Privacy Act, 5 U.S.C.A. 552a;

(6) Telephone number at current place of employment or, if none, the home telephone number;

(7) Marital status and information regarding his immediate family;

(8) Employment history, including any gaming-related employment;

(9) Education and training;

(10) Other licenses held or applied for by the applicant in Puerto Rico or in any other jurisdiction, including:

(i) Any license, permit or registration required to participate in any legal gaming operation; and

(ii) Any denial, suspension or revocation of a license, permit or certification issued by a governmental agency;

(11) Criminal or investigatory proceedings in Puerto Rico or in any jurisdiction, including arrests, crimes or offenses committed by the person.

(b) In addition to the information in (a) above, the completed PDFPSI form shall include the following:

(1) The name, address, occupation and telephone number of persons who can attest to the applicant's good character and reputation; and

(2) A Release Authorization authorizing governmental and private organisms to release any pertinent information relating to the person that may be requested by the Company and a notarized sworn statement whereby applicant declares that all the information supplied in the application is true.

(c) Any PDFPSI form shall be filed in original and copy together with the corresponding BED-INDUSTRY Form and shall also include:

(1) The documents similar to those required in section 6.14 of these Regulations for identifying the person; and

(2) A photograph of the applicant taken within the twelve (12) months prior to the date of filing of PDFPSI form, which shall be stapled to the PDFPSI Form.

Section 7.18 Obligation to Pay the Fees; No Refund of Fees Paid.

(a) Any obligation for payment of fees arising from these Regulations shall be paid in full even when the enterprise withdraws its application for a Service Industry License.

(b) No amounts paid for franchise fees shall be refundable.

Section 7.19 Responsibility of the Franchise Licensee.

(a) Any Franchise Licensee that will be receiving a service shall be responsible for confirming that the enterprise with which it will carry out the transaction holds a Service Industry License or has obtained a temporary authorization in accordance with section 7.13 of these Regulations, or an exemption in accordance with section 7.14 of these Regulations.

(b) Any violation of subparagraph (a) above shall be sufficient cause for the cancellation or suspension of its franchise and/or the imposition of an administrative fine by the Company.

Section 7.20 Transitory Provisions.

(a) Any enterprise that manufactures, sells or leases, distributes or repairs or provides maintenance services or any other service to slot machines shall comply with the provisions of these Regulations beginning on the effective date the same.

(b) Any enterprise that is not one of the enterprises listed in paragraph (a) above may continue doing business in Puerto Rico for a maximum period of six (6) months from the effective date of these Regulations without holding a Service Industry License issued by the Company.

Section 7.21 Master Vendor's List

(a) The Gaming Division shall maintain a Master Vendor's List of all vendors doing business with Franchise Licensees in Puerto Rico.

(b) An approved Master Vendor's List will be maintained by the Gaming Division and will be comprised of all vendors' with Temporary or Permanent License approval to engage in business transactions with Franchise Licensees.

(c) It shall be the responsibility of each Franchise Licensee to provide to the Gaming Division at the end of every month, a list of vendors doing business with Franchise Licensees to determine vendors who shall file for licensure as a casino service industry. This listing shall provide the name of the company and amount paid to vendors during the monthly period. This information will be used by the Gaming Division to determine companies who will be required to file for licensure as a casino service industry provider. The Gaming Division shall conduct the required service industry license investigations on the service industry vendors who meet the criteria outlined in Section 7.21(f) and who are required to qualify pursuant to the qualifications for licensure contained in Sections 7.9 and 7.10 of the these regulations.

(d) The Gaming Division shall also maintain a Prohibited Vendor List, which shall include all vendors who are prohibited from conducting business with the Franchise Licensees in Puerto Rico. The Gaming Division shall provide this list to Franchise Licensees on a monthly basis.

(e) Engaging in business with a vendor on the Prohibited Vendor List by Franchise Licensees may result in monetary fines not to exceed $5,000, regulatory sanctions, or both.

(f) No enterprise shall, on a regular and continuing basis, provide goods or services to a Franchise Licensee unless the service industry applicant files for a service industry license. In determining whether an enterprise is providing regular and continuing business to a Franchise Licensee, the following factors shall be considered by the Gaming Division:

1. The enterprise is conducting more than $50,000 in business with one Franchise Licensee or more than $150,000 in business with two or more Franchise Licensee during a calendar year; or

2. Number of transactions in any calendar year; or

3. Frequency of transactions; or

4. Nature of goods and/or services provided; or

5. Maximum potential period of time to fully provide the goods, perform the services, or complete the business which is subject to the transaction; or.

6. Any company that in the discretion of the Gaming Division should file for service industry licensure.

CHAPTER 8

CONTROVERSY RESOLUTION PROCEDURES

Section 8.1 Commencement of the Proceedings.

(a) Unless otherwise established by law, the adjudicative proceedings of any controversy related to games of chance shall be initiated by the Company itself or by any natural or legal person.

(b) Any adjudicative proceeding for controversies related to games of chance shall commence with the filing of a complaint before the Gaming Director.

Section 8.2 Complaint Registry.

The Gaming Director or his authorized representative shall keep a register of all the complaints filed, which shall be recorded in the order in which the same are received, assigning to each one a registration number.

Section 8.3 Complaints Originated by the Company.

(a) The Company, whether through the Gaming Director or any other authorized official, shall file complaints for infractions to the laws or regulations related to the games of chance administered by the Company. The complaint shall contain:

(1) The name of the complainant and his mailing address or, if none, his home address.

(2) The facts constituting the infraction.

(3) The legal or regulatory provisions that were allegedly infringed or not complied.

(4) The fine, sanction or requested remedy.

(5) The name and signature of the complainant and position he occupies.

Section 8.4 Complaints Originated by Persons Not Connected with the Company.

(a) Any natural or legal person may file complaints before the Gaming Director for infractions to the laws or regulations

relating to the games of chance managed by the Company. The complaint shall contain:

(1) The name of the parties, their mailing address(es) or, if none, the home address(es), and telephone numbers, if known.

(2) The facts constituting the claim or infraction.

(3) The reference to the applicable legal provisions, if known.

(4) The remedy being requested.

(5) The name and signature of moving party, address and telephone number.

Section 8.5 Filing of the Complaint.

(a) Any complaint shall be signed by the moving party or by his legal representation. If the same is a legal person, the complaint shall be filed by a person authorized to do so by law or by a resolution to those effects duly adopted by the legal person.

(b) For a complaint to be considered duly filed with the Company, the complaint shall comply with all the legal and regulatory requirements and the moving party shall include evidence of the delivery of a copy of the complaint to the respondents.

(c) Any complaint that does not comply with the above requirements shall be considered not filed.

Section 8.6 Answer to the Complaint.

The respondent shall answer the complaint within fifteen (15) days following the filing of the same with the Company. The answer shall include all the defenses and allegations of the respondent and shall be signed by the respondent or its legal representative.

Section 8.7 Purpose of Mediation Hearing.

In order to encourage the informal resolution of controversies relative to games of chance in the most

expeditious, fair, and economical manner for all of the parties, the Company may hold a mediation hearing to encourage the parties to reach an agreement without the need to carry out further proceedings.

Section 8.8 Notice of a Mediation Hearing.

If a mediation hearing is to be held, the Company shall notify in writing all of the parties or their authorized representatives the date, time and place where the mediation hearing will be held. Notice shall be effected by mail or personally not less than fifteen (15) days prior to the date of the hearing, except that for just cause, stated in the notice, it is necessary to shorten said period.

Section 8.9 Mediation Hearing.

(a) The mediation hearing shall be presided by the Gaming Director or his authorized representative.

(b) The function of the Gaming Director or his authorized representative in the mediation hearing shall be exclusively to encourage the parties to reach an agreement without having to carry out further proceedings.

Section 8.10 Conclusion of the Mediation Hearing.

(a) If during the mediation hearing the parties are able to reach an agreement, they will then submit said agreement to the Gaming Director in writing and signed by the parties within a period not to exceed ten (10) days after the conclusion of the mediation hearing, in which case it shall be deemed concluded; otherwise, the Gaming Director shall submit the case to an hearing examiner within a period not to exceed ten (10) days after the conclusion of the mediation hearing for its adjudication.

(b) For purposes of this section, the mediation hearing shall be deemed concluded on the day when:

(1) the parties reach an agreement;

(2) the parties do not reach an agreement and no definite date for the continuation of the mediation hearing is established;

(3) one or various of the parties cease to appear, without just cause, at the mediation hearing; or

(4) for any other reason that the Gaming Director deems reasonable.

Section 8.11 Costs.

In the event that the Company determines that a case has been submitted by the Gaming Director to an hearing examiner due to a frivolous act of a party, the Company shall impose costs on the responsible party.

Section 8.12 Hearing Examiner.

(a) The board of directors of the Company shall name hearing examiners to address all those controversies submitted by the Gaming Director in accordance with the provisions of these Regulations.

(b) All hearing examiners shall be licensed to practice law and may be selected from among the in-house legal counsel of the Company or the outside legal counsel who are under contract with the Company.

(c) All hearing examiners so appointed shall preside over the adjudication proceedings submitted by the Gaming Director and shall adjudicate the controversies in the cases submitted before them.

(d) The hearing examiner shall act as such until his successor is appointed and takes over his duties.

Section 8.13 Intervention - Request.

(a) Any person who has a legitimate interest in an adjudicative proceeding submitted before the Company in accordance with the provisions of these Regulations may submit a written and duly founded request to be permitted to intervene or participate in said proceedings. The Company may grant or deny

said request, at its discretion, taking into consideration the following factors among others:

(1) That the interest of the petitioner may be adversely affected by the adjudicative proceedings.

(2) That there are no other remedies at law for petitioner to adequately protect his interest.

(3) That the interest of the petitioner is already adequately represented by the parties in the proceedings.

(4) That the participation of petitioner may reasonably assist in preparing a more complete file of the proceedings.

(5) That the participation of petitioner may excessively extend or delay the proceedings.

(6) That the petitioner represents or is speaking for other community groups or entities.

(7) That the petitioner can contribute information, expertise, specialized skills or technical advice that would not be available otherwise in the proceedings.

(b) The Company may require additional evidence in order to issue the corresponding determination with respect to the request for intervention.

Section 8.14 Denial.

If the Company denies a request for intervention in an adjudicative proceeding, it shall notify its decision in writing to the petitioner, the basis therefor, and the appeal proceedings available for review and the term to initiate same.

Section 8.15 Discretionary Adjudicative Hearing.

The hearing examiner, at his discretion, may hold an adjudicative hearing.

Section 8.16 Pre-Adjudicative Hearing Conference.

(a) If the hearing examiner deems it necessary to hold an adjudicative hearing, the Company shall summon all the parties or their authorized representatives and intervenors, whether on its

own initiative or at the request of one of the parties, to a pre-adjudicative hearing conference, for the purpose of reaching a definite agreement or simplifying the matters or the evidence to be considered in the adjudicative hearing.

(b) The Company may require that the parties attending the conference in accordance with paragraph (a) above submit a report at least five (5) days prior to the adjudicative hearing.

(c) The Company may accept stipulations among the parties to resolve controversies if the Company understands that the same serve the best public interests.

(d) The contents of this report, as the same may be approved or amended by the hearing examiner, shall serve as a guideline for any subsequent proceedings, except if the hearing examiner authorizes amendments to the same in the best interest of justice.

Section 8.17 Discovery Mechanisms.

(a) Except as provided in paragraph (b) of this section, the proceedings for discovery shall not apply to the adjudicative proceedings carried out by the Company to address controversies related to games of chance.

(b) The mechanisms for evidentiary discovery shall only be available for those complaints originated by the Company.

(c) The Company, at its discretion, may also issue summonses for the appearance of witnesses; orders for the production of documents; and protective orders, in accordance with the Rules of Civil Procedure.

(d) In the event of failure to comply with an order or requirement issued under the above subparagraph of this section, the Company may file a motion in aide of jurisdiction in the competent part of the Court of First Instance, and the same may issue a judicial order in which it orders compliance of the person in question with a warning that said party shall be in contempt if it fails to comply with said order.

Section 8.18 Notification of the Adjudicative Hearing.

(a) The Company shall notify in writing all the parties or their authorized representatives and intervenors of the date, time and place of the adjudicative hearing. The notice shall be effected by mail or in person not less than fifteen (15) days prior to the date of the adjudicative hearing, except when due to a duly justified cause, stated in the notice, it is necessary to shorten said period.

(b) The notice provided for in paragraph (a) above shall also contain the following information:

(1) Date, time and place when the adjudicative hearing will be held, as well as its nature and purpose.

(2) Notice that the parties may appear accompanied by their attorneys, but shall not be obligated to be so represented, including the cases involving corporations and partnerships.

(3) Cite of the legal or regulatory provision which authorizes the holding of the adjudicative hearing.

(4) Reference to the legal or regulatory provisions allegedly infringed, if an infraction of the same is charged, and to the facts that constitute such infraction.

(5) Admonition of the measures that the Company may take if a party fails to appear at the adjudicative hearing.

(6) Warning that the adjudicative hearing may only be suspended as provided in section 8.21 of these Regulations.

Section 8.19 Contempt.

Any party duly summoned who fails to appear at a pre-adjudicative hearing conference , at an adjudicative hearing, or at any other stage within the adjudicative process not including the mediation hearing, fails to comply with any order or instruction of the hearing examiner, may be declared in contempt, its allegations eliminated, and the adjudicative process may continue without the participation of said party. Such determination and the availability of a remedy of review shall be

notified in writing to the affected party. Said notice shall indicate the requirement of filing a request for reconsideration before the Company to have available the remedy of a review once the Company has issued the final resolution in said case.

Section 8.20 Hearing - Private; Application.

The adjudicative hearing shall be public unless a party submits to the Company a written and duly founded request that the adjudicative hearing be held privately and the hearing examiner who presides over the adjudicative hearing, if he understands that it may cause irreparable damage to the petitioner, so authorizes it. The petitioner shall have the burden of proving the detrimental effects of a determination to hold a public adjudicative hearing.

Section 8.21 Hearing Date Set; Suspension.

The hearing examiner who presides over the adjudicative proceedings may not suspend an adjudicative hearing once the same has been set, except upon written request expressing the reasons that justify said suspension. Said request shall be submitted five (5) days before the date of said adjudicative hearing. The petitioner shall send copies of its request to the other parties and intervenors in the proceeding, within the stated five (5) days.

Section 8.22 Proceedings.

(a) The adjudicative hearing shall be taped or steno graphed, and the hearing examiner who presides over the same shall issue his decision in writing.

(b) The adjudicative hearing shall be held within a framework of relative informality.

(c) The hearing examiner who presides over the adjudicative hearing may offer to all of the parties the necessary time to carry out a full disclosure of all the facts and matters under discussion, the opportunity to answer, present evidence and argue, conduct counter-interrogatories and submit rebuttal

evidence, except as the same may have been restricted or limited by the stipulations in the pre-adjudicative hearing conference.

(d) The hearing examiner who presides over the adjudicative hearing may exclude that evidence that is impertinent, immaterial, repetitive, or inadmissible under constitutional or legal grounds based on evidentiary privileges recognized by the courts of Puerto Rico.

(e) The hearing examiner may take official notice of generally accepted information or of technical or scientific matters, including those in the field of games of chance, and any other fact about of which the courts of Puerto Rico may take judicial knowledge. The parties shall be informed of any information, matter or fact of which knowledge has been taken in this manner, and given a reasonable opportunity, through prior request, to refute said information, matter or fact with evidence or through a verbal or written presentation of authorities. The Company shall determine the manner of such rebuttal.

(f) The Rules of Evidence shall not apply to the adjudicative hearings, but the hearing examiner who presides over the adjudicative hearing may use the fundamental principles of evidence to achieve a speedy, fair, and economical resolution of the proceedings.

(g) The hearing examiner who presides over the adjudicative hearing may grant the parties a period of fifteen (15) days after the conclusion of the same to file proposed findings of fact and conclusions of law. The parties may voluntarily waive the declaration of the findings of fact.

(h) All cases connected with games of chance submitted to an adjudicative proceeding before the Company shall be resolved within a six (6) months period, from the date of its filing, except under exceptional circumstances.

Section 8.23 Final Orders or Resolutions.

(a) The hearing examiner shall issue a final written order or resolution within ninety (90) days after the conclusion of the adjudicative hearing or after the filing of the proposed findings of fact and conclusions of law, unless this period is waived or extended with the written consent of all the parties or for just cause.

(b) The order shall include and set forth separately the findings of fact if these have not been waived, conclusions of law which are grounds for the adjudication, and the availability of the remedy of reconsideration or review as the case may be. The order or resolution shall be signed by the hearing examiner or any other official authorized by law.

(c) The order or resolution shall advise of the right to request a reconsideration or review thereof, expressing the corresponding terms. Once this requirement has been met, the term shall commence to run.

(d) The Company shall notify the order or resolution to the parties by mail as soon as possible, and shall file in the record a copy of the final order or resolution and evidence of notification. No party may be required to comply with a final order unless said party has been notified thereof.

Section 8.24 Reconsideration.

(a) Any party adversely affected by a partial or final resolution or order may, within a period of twenty (20) days from the date of the filing in the records of the notice of the resolution or order, file a motion for reconsideration of the resolution or order.

(b) The Company shall, within fifteen (15) days of the filing of said motion, consider any motion filed in accordance with the above paragraph. If the Company flatly rejects said motion or if it does not act with respect to the same within fifteen (15) days of its filing, the period to request a review

shall commence to run again from the date when said denial is notified or from the expiration of the fifteen (15) days, as the case may be.

(c) If the Company makes any determination with respect to the motion for reconsideration, the period for requesting a review shall commence to be counted from the date in which a copy of the notice of the resolution of the Company definitively resolving the motion for reconsideration is filed in the records.

(d) Said resolution shall be issued and filed in the records within ninety (90) days following the filing of the motion for reconsideration. If the Company accepts the motion for reconsideration but fails to take any action with respect to the motion within the ninety (90) days from its filing, it shall lose jurisdiction over the same and the period to request judicial review shall commence to be counted from the expiration of said ninety-day period, unless the Company, for just cause and within those ninety (90) days, extends the period to resolve to a period that shall not exceed thirty (30) additional days.

Section 8.25 Termination; Notice.

If at any time the Company concludes or decides not to initiate or continue with an adjudicative proceeding in a particular case, it shall end the proceedings and notify the parties by certified mail, return receipt requested of its determination, the grounds for the same and the available remedy of review.

Section 8.26 Immediate Adjudicative Proceedings.

(a) The Company may use emergency adjudicative proceedings when it understands that it involves a situation in which there is an imminent danger to the public health, security and well-being or which requires immediate action from the Company.

(b) The Company may take only that action that is necessary within the circumstances described in paragraph (a) above and which justify the use of an immediate adjudication.

(c) The Company shall issue an order or resolution that includes a concise declaration of the findings of fact, conclusions of law and the public policy reasons which justify the decision of the Company to take a specific action.

(d) The Company shall give whatever notice it deems most convenient, to the persons who are required to comply with the order or resolution. The order or resolution shall be effective upon issuance.

(e) After issuance of an order or resolution in accordance with this section, the Company shall promptly proceed to complete any proceeding that may have been required, if there is no imminent danger.

CHAPTER 9

ADOPTION, MODIFICATION AND REVOCATION OF REGULATIONS AND RULES

Section 9.1 Notice of a Proposed Amendment, Adoption or Repeal of Regulation.

(a) The Company shall follow the procedures provided in this Chapter and in Act No. 170 of August 12, 1988, as amended, known as the "Uniform Administrative Proceedings Act of the Commonwealth of Puerto Rico," for the adoption, amendment or repeal of any regulation relating to games of chance.

(b) The adoption, amendment and revocation of any games of chance regulation shall be carried out in accordance with the following procedures:

(1) At least thirty (30) days prior to any meeting of the board of directors of the Company where the adoption, amendment or revocation of a regulation will be considered for the purposes outlined in this section, the Company shall publish a notice of the proposed action in a newspaper of general circulation in Puerto Rico. The notice of the proposed adoption, amendment or revocation shall include:

(i) a summary or brief explanation of the purposes of the proposed action;

(ii) a cite of the legal provision which authorizes said action;

(iii) a declaration to the effect that any interested party shall have at least thirty (30) days, counted from the date of publication of the notice, to submit comments in writing related with the regulation subject of the action;

(iv) the manner, place, dates and times during which written comments may be submitted;

(v) the place where the complete text of the regulations to be adopted, amended or revoked shall be available to the public.

(2) The Company shall provide an opportunity for written comments to be submitted during a period not less than thirty (30) days from the date of publication of the notice described in subparagraph (1) above.

(3) The Company shall convene public hearings. Said hearings may be taped or steno graphed. The official who presides over the same shall prepare a report for the consideration of the Director in which all oral comments made during the hearing shall be summarized.

(4) The proposed regulations shall be submitted to the board of directors of the Company for its approval. If the board of directors approves the same, it shall be sent to the Governor.

(5) If the proposed regulations are approved by the Governor, an original and two (2) copies of the regulations shall be filed at the State Department, and the same shall become effective from the date of filing in the State Department.

Section 9.2 Gaming Rules for Experimental Periods.

(a) The Company may adopt, amend or repeal any rule related to the manner in which table games are conducted, or to the characteristics of the equipment used in said games, for experimental periods of up to two hundred seventy (270) days; provided that at no time may the experimental period be extended.

(b) Any interested person who wishes to modify any rule of a table game or any characteristic of the table games equipment provided in these Regulations shall submit a petition requesting the adoption of said change for an experimental period.

(c) When the Company, *motu propio*, promotes gaming rules or characteristics of certain gaming equipment for experimental periods, or when it approves the petition of an interested party to that effect, it shall:

(1) notify the experimental rules and/or characteristics by means of a letter to all Franchise Licensees before the effective date thereof, indicating the effective date of and the expiration date thereof; and

(2) have, at all times, available a copy of the rules and/or characteristics so adopted at its offices.

Section 9.3 Contents, Style and Form of the Regulations.

Any regulation that is adopted or amended by the Company shall contain, in addition to the text, the following information:

(a) a cite of the legal provision or provisions which authorize its adoption or amendment;

(b) a brief and concise explanation of its purposes or reasons for its adoption or amendment;

(c) a reference to all the regulations that are amended, repealed or suspended through its adoption;

(d) the date of approval; and

(e) the date of its adoption.

Section 9.4 File.

(a) The Company shall keep available for public inspection an official file with all the information relating to any proposal for adoption of rules or regulations, as well as the one adopted or amended, including, but not limited to:

(1) a copy of any publication with respect to the regulation;

(2) any written petition, requisition, memorial or comment submitted to the Company and any written material considered by the Company relating to the adoption of the procedures followed;

(3) any report prepared by the official presiding over the hearing summarizing the contents of the presentations;

(4) a copy of any regulatory analysis prepared during the procedures for the adoption of the regulations;

(5) a copy of any regulatory analysis prepared during the procedures for the adoption of the regulations;

(6) a copy of the regulations and an explanation of the same; and

(7) all petitions for exceptions, amendments, repeal or suspension of the regulations.

Section 9.5 Request for Adoption, Amendment or Revocation of Regulations.

(a) Any interested person may file a petition before the Company requesting the adoption, amendment or revocation of a regulation related to the games of chance. The petition shall indicate, clearly and concisely:

(1) the contents and nature of the requested regulation, amendment or revocation;

(2) the reasons for the request; and

(3) the cite of the legal provision which authorizes the Company to take the requested action.

(b) The Company shall deny the petition in writing or set a period not to exceed forty-five (45) days from the date on which the Company receives notice of the petition during which action with respect to same shall be taken.

Section 9.6 Regulations - Emergencies.

The provisions of section 9.1 of these Regulations may be disregarded in all those cases in which the Governor certifies that, due to an emergency or any other circumstance which so demands, the public interest requires that the regulations or the amendment be effective immediately without the delay required by section 9.1 of these Regulations. In those cases, the regulations or the amendment, together with the copy of the certification of the Governor, shall be filed in the State Department. Once filed, the Company shall comply with the provisions of section 9.1 of these Regulations.

CHAPTER 10

DISTRIBUTION OF SLOT MACHINE REVENUES

Section 10.1 Rules for Determining and Distributing the Net Income for Fiscal Year 1997-98 and Subsequent Fiscal Years.

(a) The income generated by the slot machines, whether they are the property of or owned by the Company or the Franchise Licensees , shall be deposited in a special fund in the Company, separate from its general funds.

(b) For fiscal year 1997-98 and all subsequent fiscal years, the net annual income shall be determined in accordance with the following rules:

(1) From the gross annual income generated by the slot machines and received by the operator, there shall be deducted:

(i) monthly all the operational expenses of the slot machines of the Company, including but not limited to, salaries, compensations and any other benefits received by those Company employees whose functions are related with the slot machines; provided that, when an employee of the Company, in addition to the slot machine related functions, carries out other functions not related to the slot machines, that amount of his salary, compensation and any other benefits corresponding to the slot machine related functions shall also be deducted.

(ii) monthly all of the amortization, leasing, operation and maintenance costs of the slot machines owned by the Company for said month; and

(iii) an amount to be paid monthly to the Franchise Licensees equivalent to the monthly cost of

amortization of the slot machines which they own and have been in operation during the entire month or the monthly leasing cost of the slot machines leased by them which have been in operation during said month subject to the provisions of section 10.2 of these Regulations.

(2) The difference between the gross annual income and the deductions described in subparagraph (1) above shall be the net annual income.

Section 10.2 Payment for Cost of Amortization or Leasing of Slot Machines.

(a) All Franchise Licensees who are interested in receiving the payment described in subparagraph (b)(1)(iii) of section 10.1 of these Regulations shall file with the Company such documents that evidence and certify, to the satisfaction of the Company, the cost of amortization or leasing of each slot machine.

(b) The payment described in subparagraph (b)(1)(iii) of section 10.1 of these Regulations shall only be permitted during fiscal years 1997-98, 1998-99, and 1999-00; provided that no payment to the Franchise Licensees shall be permitted after the above-mentioned fiscal years for said concept.

(c) The cost of the slot machines shall be amortized for a minimum period of three (3) years and in no case shall the amount to be paid to the Franchise Licensees under subparagraph (b)(1)(iii) of section 10.1 of these Regulations shall exceed the annual amount of two thousand five hundred dollars ($2,500.00) per slot machine.

(d) The Company shall determine monthly the slot machines that have been operating monthly.

Section 10.3 Definition of Base Period Income.

(a) The Base Period Income shall be equal to an amount equivalent to the net annual income per slot machine for fiscal

year 1996-97, as the same may be determined in accordance with the provisions of paragraph (b) below, multiplied by the adjusted number of slot machines for fiscal year 1997-98, as the same may be determined in accordance with the provisions of paragraph (c) below; provided that the Base Period Income shall not be less than the net annual income generated by all the slot machines for fiscal year 1996-97.

(b) The net annual income per slot machine for fiscal year 1996-97 shall be the total net annual income for fiscal year 1996-97 divided by the adjusted number of slot machines installed during fiscal year 1996-97.

(c) The adjusted number of slot machines that are in operation during any fiscal year shall be determined as follows:

(1) Every slot machine which has been in operation during a complete twelve (12) month period during said fiscal year shall be assigned a value of one; and

(2) Every slot machine which has been in operation for a period of less than twelve (12) months during said fiscal year shall receive a value to be determined by a fraction, the numerator of which shall be the number of complete months during which each slot machine had been in operation during said fiscal year and the denominator shall be equal to twelve (12).

Section 10.4 Group A Definition.

(a) Group A shall be made up of all the Franchise Licensees that have slot machines in their casinos.

Section 10.5 Rules for Distributing the Net Income for Fiscal Years 1997-98, 1998-99, and 1999-00.

(a) For fiscal years 1997-98, 1998-99, and 1999-00, the Base Period Income, as the same may be determined in accordance with the provisions of section 10.3 of these Regulations, shall be distributed in the following manner:

(1) Thirty four percent (34%) of the annual net income up to the total of the Base Period Income, as defined in section

10.3 of these Regulations, shall be distributed to Group A, as defined in section 10.4 of these Regulations; and

(2) Sixty six percent (66%) of the annual net income up to the total of the Base Period Income shall be distributed in the following manner:

(i) Group B, made up of the funds described in section 10.7 of these Regulations, shall receive up to the amount received by said Group B in fiscal year 1996-97; and

(ii) The excess, if any, shall be received quarterly by the General Fund of the State Treasury in accordance with the provisions of paragraph (b) of this section.

(b) Any annual net income in excess of the Base Period Income shall be distributed in the following manner:

(1) Ninety percent (90%) of said excess shall be remitted quarterly to the General Fund of the State Treasury in accordance with the provisions of subparagraph (a)(2)(ii) above, until the annual amount received by the General Fund under subparagraph (a)(2)(ii) above and this subparagraph is thirty million dollars ($30,000,000.00); and

(2) The remaining ten percent (10%) shall be distributed to Group A, as defined in section 10.4 of these Regulations.

(c) If the General Fund of the State Treasury does not receive the annual amount of thirty million dollars ($30,000,000.00) in accordance with the provisions of paragraph (b) above, then the income which the Company may have received from an increase, if any, in the percentage of room tax from seven percent (7%) to nine percent (9%) for hotels, apartment hotels, guest houses and motels and from nine percent (9%) to eleven percent (11%) for hotels authorized by the Commissioner to operate casinos provided in subsection (a) of Section 2051 and in

paragraph (5) of subsection (a) of Section 2084 of Act No. 120 of October 31, 1994, as amended, which have been destined to a special account separate from the general funds of the Company, known as Special Account I, if any, shall be added to the amounts received by the General Fund of the State Treasury under subparagraph (a)(2)(ii) above and subparagraph (b)(1) above until the General Fund of the State Treasury receives the amount thirty million dollars ($30,000,000.00).

(d) Any annual net income in excess of the amounts distributed under paragraphs (a) and (b) above shall be distributed in the following manner:

(1) Sixty percent (60%) to Group A, and

(2) Forty percent (40%) to Group B.

Section 10.6 Rules for Distributing the Net Income for Fiscal Year 2000-01 and Subsequent Fiscal Years.

(a) For fiscal year 2000-01 and subsequent fiscal years, the Base Period Income, as the same may be determined in accordance with the provisions of section 10.3 of these Regulations, shall be distributed in the following manner:

(1) Thirty-four percent (34%) of the annual net income up to the total of the Base Period Income, as defined in section 10.3 of these Regulations, shall be distributed to Group A, as defined in section 10.4 of these Regulations; and

(2) Sixty-six percent (66%) of the annual net income up to the total of the Base Period Income, as defined in section 10.3 of these Regulations, shall be distributed to Group B, as provided in section 10.7 of these Regulations.

(b) Any annual net income in excess of the Base Period Income shall be distributed in the following manner:

(1) Sixty percent (60%) to Group A, and

(2) Forty percent (40%) to Group B.

Section 10.7 Rules for Distributing the Net Income for Fiscal Year 1997-98 and Subsequent Fiscal Years Among Group B.

(a) For fiscal year 1997-98 and subsequent fiscal years, Group B shall be made up of the funds indicated below, and the annual net income to be distributed between Group B shall be distributed as follows:

(1) Twenty-five point eight percent (25.8%) shall be deposited monthly in the Special Fund in the name and for the benefit of the Company to carry out its corporate purposes;

(2) Thirty point three percent (30.3%) shall be forwarded to the Secretary of the Treasury, who shall deposit the entire amount in the Educational Fund;

(3) Thirty point three percent (30.3%) shall be deposited monthly into the General Fund of the University of Puerto Rico; and

(4) Thirteen point six percent (13.6%) shall be deposited monthly into the "Puerto Rico Tourism Industry Development Fund."

Section 10.8 Rules for Distributing the Net Income for Fiscal Year 1997-98 and Subsequent Fiscal Years Among Group A.

(a) For fiscal year 1997-98 and subsequent fiscal years, the annual net income to be distributed to Group A shall be distributed among the Franchise Licensees deducting from the gross income attributable to said Franchise Licensee, as provided in paragraph (b) of this section, the cost of the slot machines attributable to said Franchise Licensee, as provided in paragraph (c) of this section.

(b) The gross income attributable to each Franchise Licensee shall be determined in accordance with the following rules:

(1) The gross income which corresponds to Group A shall be determined by multiplying the gross income of all the slot machines by a fraction, the numerator of which shall be equal to the annual net income distributed to Group A, as

determined in section 10.5 of these Regulations for fiscal years 1997-98, 1998-99 and 1999-00 and in section 10.6 of these Regulations for fiscal year 2000-01 and subsequent fiscal years, and the denominator shall be equal to the total of annual net income distributed to Group A, Group B and the General Fund of the State Treasury for each year respectively.

(2) The gross income attributable to each Franchise Licensee shall be determined by multiplying the gross income of Group A, as the same may be determined in accordance with subparagraph (1) above, by a fraction the numerator of which shall be the gross income generated by the slot machines located in the casino of said Franchise Licensee, and the denominator shall be the gross income generated by all of the slot machines in all the casinos.

(c) The cost of the slot machines attributable to each Franchise Licensee shall be determined in the following manner:

(1) In the case of slot machines which are the property of or are possessed by the Franchise Licensees , the cost of the slot machines attributable to Franchise Licensee shall be equivalent to the gross cost of the slot machines located in its casino, as the same is determined in accordance with the provisions of subparagraph (c)(1)(i) of this section, multiplied by a fraction the numerator of which shall be the annual income distributed to Group A, as determined in section 10.5 of these Regulations for fiscal years 1997-98, 1998-99 and 1999-00 and in section 10.6 of these Regulations for fiscal year 2000-01 and subsequent fiscal years, and the denominator shall be the annual net income distributed to Group A, Group B, and the General Fund of the State Treasury. Provided that:

(i) The gross cost of the slot machines located in the casinos of each Franchise Licensee shall be the sum of the deductible amount under subparagraph (b)(1)(iii) of section

10.1 of these Regulations for the slot machines located in the casino of said Franchise Licensee, and the proportion of the expenses of the Company under subparagraph (b)(1)(i) of section 10.1 of these Regulations attributable to said slot machines, as the same is determined in subparagraph (ii) below.

(ii) The proportion of the expenses attributable to each Franchise Licensee is determined by multiplying the expenses of the Company under subparagraph (b)(1)(i) of section 10.1 of these Regulations by a fraction, the numerator of which shall be the adjusted number of slot machines located in the casino of the Franchise Licensee, as provided in paragraph (c) of section 10.3 of these Regulations, and the denominator shall be the total adjusted number of all the slot machines located in all of the casinos, as provided in paragraph (c) of section 10.3 of these Regulations.

(2) In case of slot machines that are the property of or are possessed by the Company, the cost of the slot machines attributable to the Franchise Licensee is equivalent to the gross cost of the slot machines of the Company located in its casino, as determined in accordance with the provisions of subparagraph (c)(2)(i) of this section, multiplied by a fraction, the numerator of which shall be the annual income distributed to Group A, as determined in section 10.5 of these Regulations for fiscal years 1997-98, 1998-99 and 1999-00 and in section 10.6 of these Regulations for fiscal year 2000-01 and subsequent fiscal years, and the denominator shall be the annual net income

distributed to Group A, Group B and the General Fund of the State Treasury. Provided that:

(i) The gross cost of the slot machines of the Company located in the casino of each Franchise Licensee shall be the sum of the cost to the Company under subparagraph (b)(1)(ii) of section 10.1 of these Regulations attributable to the slot machines located in the casino of said Franchise Licensee, and the proportion of the expenses of the Company under subparagraph (b)(1)(i) of section 10.1 of these Regulations attributable to said slot machines.

(ii) The cost to the Company under subparagraph (b)(1)(ii) of section 10.1 of these Regulations attributable to the slot machines located in the casino of said Franchise Licensee is determined by multiplying the costs of the Company under subparagraph (b)(1)(ii) of section 10.1 of these Regulations by a fraction, the numerator of which shall be the adjusted number of slot machines located in the casino of said Franchise Licensee, as provided in paragraph (c) of section 10.3 of these Regulations, and the denominator shall be the total adjusted number of all the slot machines located in all the casinos, as provided in paragraph (c) of section 10.3 of these Regulations.

(3) If a slot machine is the property of the Company for part of a fiscal year and of a Franchise Licensee for the remainder of said fiscal year, the cost of said slot machine shall be computed for the portion of the fiscal year during which

the slot machine was the property of the Company, in accordance with the rules provided in subparagraph (c)(2) of this section, and the cost of said slot machine shall be computed in accordance with the rules provided in subparagraph (c)(1) of this section.

(d) If the annual net income of any Franchise Licensee should be less than zero, then it shall be understood that said Franchise Licensee has an annual net income equivalent to zero. The excess of the costs of said Franchise Licensee shall be added to the costs of those Franchise Licensees with annual net incomes higher than zero in a proportion equivalent to the number of slot machines of each Franchise Licensee whose annual net income is higher than zero and the total of slot machines in existence in the casinos of all the Franchise Licensees whose annual net income is higher than zero to determine the annual net income which they shall be receiving.

(e) If upon distribution of the deficiency of all the Franchise Licensees with annual net income of less than zero in the manner provided in paragraph (d) above, the amount of annual net income of any Franchise Licensee decreases to an amount less than zero, then, said deficiency shall be deducted from the annual net income of any Franchise Licensees whose annual income continues to be higher than zero in the same proportion as the number of slot machines located in its casinos and the total of slot machines in existence in the casinos of all the Franchise Licensees whose net annual incomes continue to be higher than zero, until the deficiency is completely absorbed so that the total amount to be distributed among all the Franchise Licensees is equivalent to the net annual income received by Group A in accordance with section 10.5 of these Regulations for fiscal years 1997-98, 1998-99 and 1999-00 and in section 10.6 of these Regulations for fiscal year 2000-01 and subsequent fiscal years.

Section 10.9 Estimated Payment; Payment Modification.

(a) The proportions that correspond to each group and to the General Fund of the State Treasury shall be paid to them in accordance with the provisions of this section, based on an estimate of the net annual income calculated by the Company. Monthly, the Company shall tentatively allocate one-twelfth (1/12) of the amounts to be distributed to Group A and to Group B and to the General Fund of the State Treasury in accordance with section 10.5 of these Regulations for fiscal years 1997-98, 1998-99, and 1999-00 and in section 10.6 of these Regulations for fiscal year 2000-01 and subsequent fiscal years.

(b) Every monthly allocation may be modified by the Company, at its discretion, to adjust any payments made in prior months in excess or under the correct amount due to any group, including to the General Fund of the State Treasury. After the adjustment of the monthly allocations, the Company shall proceed to carry out the monthly payments required by the Act to Group A, to the Special Fund for the benefit of the Tourism Company, to the General Fund of the University of Puerto Rico and to the Fund for the Development of the Tourism Industry of Puerto Rico. Every three (3) months, the Company shall make the required payments to the General Fund of the State Treasury and it shall annually send the Secretary of the Treasury the payment corresponding to the Educational Fund. The payments made in accordance with the provisions of this section are estimated, which is why the Company during the last three (3) months of the year, may withhold all or part of those payments that should be made on a monthly or quarterly basis to ensure that all of the payments made to each entity reflect the final payment required under this section.

(c) Within ninety (90) days following the June 30 of each year, the Company shall effect a final liquidation of the funds distributed to Group A, Group B and the General Fund of the State

Treasury. If there is an excess of the funds collected during the fiscal year, the Company shall remit to each group and to the General Fund of the State Treasury the amount of said excess corresponding to each. If during a fiscal year amounts were forwarded in excess of those corresponding to any of the groups or to the General Fund of the State Treasury, in accordance with said final liquidation, the Company shall retain from the amounts to be forwarded in the next fiscal year the necessary amounts to recover said excesses, notwithstanding that the payments in excess were made by the Company.

Section 10.10 Time to Claim; Investigation.

(a) None of the members of Group A, Group B, or the General Fund of the State Treasury may claim deficiencies or errors in the computation of the amount that they have received during a particular fiscal year, unless they file a claim with the Company to those effects within one hundred eighty (180) days following the close of said fiscal year.

(b) In the same manner the Commissioner is empowered to conduct periodic investigations of the income derived from the operation of the casinos and from the operation of the slot machines authorized by the Act as said income is being accrued. The Commissioner is hereby empowered to dictate the regulations he may deem necessary or convenient to comply with the provisions of this paragraph.

(c) The Franchise Licensees of franchises issued in accordance with the Act and the Company shall be obligated to permit the supervision of their incomes as the Commissioner may determine.

CHAPTER 11

EXCLUSION

Section 11.1 Definitions

The following words and terms, when used in this section, shall have the following meanings unless the context clearly indicates otherwise.

"Candidate" means any person whose name is included on the exclusion list.

"Career or professional offender" means any person whose behavior is pursued in an occupational manner or context for the purpose of economic gain, utilizing such methods as are deemed violations of the laws of the Commonwealth of Puerto Rico.

"Cheat" means any person whose act or acts in any jurisdiction would constitute any criminal offense relating to the play of table games or electronic gaming devices.

"Excluded Person" means any person who has been placed upon the list by order of the Gaming Division and is required to be ejected from a casino.

"List of Excluded Persons" means a list of names of persons who are required to be excluded or ejected from the casino.

"Occupational manner or context" means the systematic planning, administration, management or execution of an activity for financial gain.

Section 11.2 Maintenance and Distribution of the List.

(a) The Gaming Division shall maintain a list of persons to be excluded from a casino.

(b) The list shall be open to public inspection and shall be distributed to every Franchise Licensee in Puerto Rico on at least a quarterly basis and each Franchise Licensee shall acknowledge receipt thereof in writing.

(c) The following information and data shall be provided for each excluded person:

(1) The full name and aliases of the person to be excluded;

(2) A description of the person's physical appearance, including height, weight, type build, color of hair and eyes and other physical characteristics which might assist in the identification of the person;

(3) Date of birth;

(4) The effective date of the order of exclusion; and

(5) A photograph, if obtainable, and the date of the photo or a photo taken by the Surveillance Department.

Section 11.3 Exclusion Criteria.

(a) The exclusion list may include any person who meets the following criteria:

(1) A career or professional offender whose presence in a casino establishment would be contrary to the interests of the Commonwealth of Puerto Rico or Franchise Licensees.

(2) An associate of a career offender or professional offender whose association is such that his or her presence in a casino establishment would be inimical to the interest of the Commonwealth of Puerto Rico or Franchise Licensees.

(3) Any person whose presence in a casino establishment would be inimical to the interest of the Commonwealth of Puerto Rico or Franchise Licensees including, but not limited to:

(i) Cheats;

(ii) Persons whose privileges for licensure have been revoked;

(iii) Persons who pose a threat to the safety of patrons or employees of the Franchise Licensee; and

(iv) Persons with a documented history of conduct involving undue disruption of casino operations.

(b) For purposes of (c)(1)(iii) above, a person's presence may be considered inimical to the interests of the Commonwealth of Puerto Rico or Franchise Licensees if known attributes of such person's character and background:

(1) Are incompatible with the maintenance of public confidence and trust in the credibility, integrity and stability of casino gaming;

(2) Could reasonably be expected to impair the public perception of, and confidence in, the regulation of casino gaming;

(3) Would create or enhance a risk of the fact or appearance of unsuitable, unfair, or illegal practices, methods or activities in the conduct of casino gaming or in the business or financial affairs of Franchise Licensees.

Section 11.4 Name Inclusion Procedure.

The Gaming Division, on its own initiative, or upon referral by a Franchise Licensee, shall investigate or review any individual who would appear to be an appropriate candidate for placement on the exclusion list. An Inspector or other representative of the Gaming Division may conduct the investigation and place any candidate for exclusion of the list. The Director of the Gaming Division shall, within 30 days of placement thereon, affirm the decision of the Inspector to place an individual on the exclusion list or the person's name shall be removed from the list.

Section 11.5 Duties of Franchise Licensees.

(a) A Franchise Licensee shall exclude or eject any person that has been placed on the Exclusion List;

(b) If an excluded person enters, attempts to enter, or is in a casino and is recognized by the Franchise Licensee, the Franchise Licensee shall immediately notify the Gaming Division.

(c) It shall be a continuing duty of the Franchise Licensees to inform the Gaming Division of the names of persons it believes are appropriate candidates for placement on the Exclusion List.

(d) The Gaming Division may have the person on the Exclusion List removed from the casino or may press trespass charges against the individual.

(e) Any excluded person who has engaged in gaming activity at a Franchise Licensee's casino prior to detection and whose gaming has resulted in a patron win by the excluded patron, shall forfeit all winnings immediately upon detection of the excluded person by the Franchise Licensee or Gaming Division. A Franchise Licensee shall not reimburse the excluded person for any losses incurred while the excluded person engaged in gaming activity.

Section 11.6 Removal from the Exclusion List.

(a) An excluded person may petition the Gaming Division to remove his or her name from the Exclusion List after the passage of a minimum of three years from the placement by the Gaming Division of such person on the list.

(b) The petition for removal shall state with specificity the grounds believed by the petitioner to constitute good cause for the removal from the list.

(c) The Director of the Gaming Division may decide the petition based on the documents submitted or grant the petitioner a hearing. A hearing shall be granted only upon a finding that there is new evidence that is material and necessary or that circumstances have changed since the placement of the excluded person on the list.

CHAPTER 12

COMPULSIVE GAMBLING AND SELF EXCLUSION

Section 12.1 Compulsive Gambling Training.

As approved by the Gaming Division, each Franchise Licensee shall establish a training program and identify a person to be responsible for training, or coordination of training to ensure that regulatory requirements of this section are implemented, administered and monitored to maintain the minimum standards.

Section 12.2 Comprehensive Employee Training Plan.

The employee training plan established by the Franchise Licensee shall include training manuals and other materials necessary to educate employees about compulsive gambling issues. The training plan shall include, but not be limited to, instruction in the psychology of the compulsive gambler, methods of recognizing compulsive gambling behavior, intervention techniques and other subjects as determined by the Gaming Division.

(a) The plan should include specific, detailed procedures to determine appropriate intervention techniques and management's policy concerning carrying out the intervention techniques in a given circumstance;

(b) Intervention techniques to be employed where a compulsive gambling problem is identified or suspected;

(c) Assistance and referral programs, including specific resources and training on how to discuss compulsive gambling with a patron and give advice concerning access to available services; and

(d) Printed materials to educate patrons about compulsive gambling and inform them of local that shall be conspicuously displayed and available to the public. The materials may include signs and posters located inside the casino premises, brochures discussing compulsive gambling issues and sources of treatment

and information. The training plan shall specify the source of the printed materials and how the proposed information distribution will be accomplished.

Section 12.3 Employees Who Must Attend Compulsive Gambling Training.

(a) All supervisory employees whose primary responsibilities require their presence in the gaming room; all security personnel whose primary duties require that they perform their services in the gaming room; persons employed as credit hosts; persons employed in player development; and any other person that Franchise Licensee or the Gaming Division may designate, shall attend training sessions.

(b) All persons required to attend Compulsive Gambling training, shall have completed the program. Thereafter, any person promoted into a position that requires that they attend the Compulsive Gambling training or any person hired into such a position, shall complete the required training within a reasonable period (90 days) of such promotion or employment.

(c) A record of all persons having attended the required Compulsive Gambling training shall be maintained by the person designated by casino management as the trainer or coordinator of training and a copy of that record shall be supplied to the Human Resources Department and at the completion of each training cycle, and to the Gaming Division, upon request.

(d) Management shall establish a policy to determine the frequency of such training on a refresher basis.

Section 12.4 Voluntary Exclusion of Patrons.

A Franchise Licensee may accept requests from patrons to voluntarily exclude themselves from Puerto Rico casinos in accordance with the requirements of this section.

(a) Request for self-exclusion. Any person who requests to be placed on the self-exclusion list shall submit a request for a self-exclusion form to the Franchise Licensee in

person. The requestor shall complete and sign the form in the presence of an employee of the Franchise Licensee and the Franchise Licensee shall photograph the person requesting self-exclusion. The completed and signed request form along with the requestor's photograph shall be maintained by the Franchise Licensee. A copy of the request form and photograph of the requestor shall be forwarded to the Gaming Division at a location so designated. Once the requestor has been photographed and the request form is completed, the requestor shall be placed on an excluded persons list as a voluntary exclusion.

(b) A self exclusion request form shall be in a form prescribed by the Gaming Division, which form shall include the following identifying information concerning the person submitting the request for self-exclusion:

(1) Name, including any aliases or nicknames;

(2) Date of birth;

(3) Address of current residence;

(4) Telephone number of current residence;

(5) Social security number, which information is voluntarily provided in accordance with section 7 of the Privacy Act, 5 U.S.C. 552a; and

(6) A physical description of the person, including height, weight, gender, hair color, eye color and any other physical characteristic that may assist in the identification of the person.

(c) A patron who voluntarily requests to be placed on the excluded persons list shall be advised that they are, thereafter, not permitted to gamble at Puerto Rico Casinos and are not permitted to enter the casino.

(d) Any voluntarily excluded person, located in the casino, shall be asked to leave the premises and the voluntary status may

be changed to involuntary if requested by casino management and approved by the Gaming Division.

Section 12.5 Duties of Franchise Licensee.

Once a patron has been placed on the excluded persons list, each Franchise Licensee shall establish procedures that are designed, to the greatest extent practicable, to:

(a) Permit appropriate employees of the Franchise Licensee to identify a self-excluded person when present in a casino and, upon such identification, notify:

(1) Those employees of the Franchise Licensee designated to monitor the presence of self-excluded persons; and

(2) Designated representatives of the Gaming Division;

(b) Refuse wagers from and deny any gaming privileges to any self-excluded person;

(c) Deny casino credit, check cashing privileges, player club membership, complimentary goods and services, junket participation and other similar privileges and benefits to any self-excluded person;

(d) Ensure that self-excluded persons do not receive, either from the Franchise Licensee or any agent thereof, junket solicitations, targeted mailings, telemarketing promotions, player club materials or other promotional materials relating to gaming activities from the Franchise Licensee; and

(e) Notwithstanding the foregoing, a Franchise Licensee shall not be responsible for permitting a self-excluded person to participate in gaming activity if that person presents a false identification or otherwise attempts in deceiving the Franchise Licensee as to his identity.

(f) Any self-excluded person who has engaged in gaming in a Franchise Licensee’s facility prior to detection and who’s gaming has resulted in patron win by the self-excluded person shall forfeit all winnings immediately upon detection of the self-

excluded person by either the Franchise Licensee or Gaming Division. A Franchise Licensee shall not reimburse any losses incurred by a self-excluded person.

(g) Enforce the provisions of this section.

Section 12.6 Withdrawal from the Exclusion List.

Patrons placed on the voluntary exclusion list may not return to the casino until their written request for the exclusion to be rescinded is made to the Gaming Division and the Gaming Division has provided that person with written permission to return. Then the excluded person's name will be removed from the exclusion list and his privileges will be restored.

Section 12.7 Duration of the Exclusion and Request for Rehabilitation.

(a) After the first request to be voluntarily excluded, the patron shall wait a minimum of one (1) year before requesting removal from the exclusion list;

(b) After the second request to be voluntarily excluded, the patron shall wait a minimum of two (2) years before requesting removal from the exclusion list; and

(c) After the third request to be voluntarily excluded, the patron is excluded for life. The exclusion will be entered as an involuntary exclusion and the patron may not request removal from the list.

Section 12.8 Official Self-Exclusion List.

The Gaming Division shall maintain the official self-exclusion list and shall notify each Franchise Licensee of any additions to or deletions from the list by electronic mail or facsimile to be followed by postal service mail to each Franchise Licensee.

Section 12.9 Franchise Licensee Exclusion List.

Each Franchise Licensee shall maintain its own copy of the self-exclusion list and shall establish procedures to ensure that its copy of the self-exclusion list is updated immediately upon

receipt of additions and deletions from the Gaming Division; and that all appropriate employees and agents of the Franchise Licensee are notified of the changes received. The notice provided by the Gaming Division shall include the name and date of birth of any person whose name shall be removed from the self-exclusion list and the following information concerning any person whose name shall be added to the self-exclusion list:

(a) Name, including any aliases or nicknames;

(b) Date of birth;

(c) Address of current residence;

(d) Telephone number of current residence;

(e) Social security number, if voluntarily provided by the person requesting self-exclusion;

(f) A physical description of the person, including height, weight, gender, hair color, eye color and any other physical characteristic that may assist in the identification of the person; and

(g) A copy of the photograph taken by the Franchise Licensee or provided by the Gaming Division, if available.

Section 12.10 Confidentiality.

(a) Information furnished to or obtained by the Gaming Division shall be deemed confidential and not be disclosed except in accordance with this section.

(b) No Franchise Licensee or employee or agent thereof shall disclose the name of, or any information about, any person who has requested self-exclusion to anyone other than employees and agents of the Franchise Licensee whose duties and functions require access to such information. Notwithstanding the foregoing, a Franchise Licensee may disclose the name of and information about a self-excluded person to appropriate employees of other Franchise Licensees for the purpose of alerting other Franchise Licensees that a self-excluded person has tried to

gamble or obtain gaming related privileges or benefits in the Franchise Licensee's casino.

Section 12.11 Approval of Procedures.

Each Franchise Licensee shall submit a copy of its procedures established pursuant to the requirements of this section to the Gaming Division.

Any amendments to said procedures shall be submitted to the Gaming Division prior to their implementation. If the Gaming Division does not object to said procedures or amendments thereto within 45 days after receipt, such procedures or amendments shall be deemed to be approved.

CHAPTER 13

MISCELLANEOUS PROVISIONS

Section 13.1 Report to the Legislature.

(a) The Company shall submit to the Legislative Assembly, during the first thirty (30) days of each Ordinary Session, a report and evaluation with respect to the impact of the legislation relating to the slot machines on the hotel sector and the tourism industry.

(b) Said report and evaluation shall include the impact, if any, which has been caused by measures such as extending the hours of operation of the casinos, permitting the dispensing of alcoholic beverages in the casinos, the promotion of the casinos in accordance with the provisions of Chapter 3 of these Regulations and the presentation of variety and/or entertainment shows, among others.

Section 13.2 Severability.

If any provision of these Regulations is declared unconstitutional or illegal by a court of competent jurisdiction, said determination shall not affect nor invalidate the rest of the Regulations, but its effect shall be limited to the part, section, paragraph, subsection, subparagraph or clause which was declared unconstitutional or illegal.

Section 13.3 Repeal Clause.

All regulations related to the games of chance in Puerto Rico promulgated by the Company before the effectiveness of these Regulations are hereby repealed.

Section 13.4 Sanctions

(a) The Commissioner and Gaming Division may initiate criminal and or regulatory enforcement actions against any person licensed under the Act and regulations.

(b) Any person who willfully fails to report, pay or truthfully account for and pay any license application, investigative or franchise fees imposed by the provisions of the

Act and regulations, or willfully attempts in any manner to evade or defeat any such fee, or payment thereof shall be subject to regulatory sanctions and shall be liable for the imposition of a sanction of three times the amount of the license fee evaded and not paid, collected or paid over to the Commissioner or Gaming Division.

(c) Any person who, without obtaining the requisite license as provided for by these regulations works or is employed in a position whose duties would require licensing under the provision of these regulations shall be liable for the imposition of sanctions and subject to a fine of not more than $1,000 and/or suspension or revocation of license.

(d) In addition to any monetary sanction, the Commissioner and Gaming Division shall have the authority to impose the following sanctions upon any person licensed pursuant to the Act and these regulations:

(1) Revoke the license of any person convicted of any criminal offense for which disqualification as set forth in Section 2.14 would result.

(2) Suspend the license of any person pending a hearing and determination in any case in which license revocation could result.

(3) Suspend or revoke the ability of any Franchise Licensee for violation of any provisions of the Act or these regulations relating to casino operations.

(4) Assess civil penalties as may be necessary to punish misconduct and to deter future violations, which such penalties may not exceed $10,000 for each violation.

(5) Issue warning letters, letters of reprimand or censure, which letters shall be made a permanent part of the file of each licensee so sanctioned.

(e) In considering appropriate sanctions in a particular case the Commissioner and Gaming Division shall consider:

(1) The risk to the public and to the integrity of gaming operations created by the conduct of the person facing sanctions;

(2) The seriousness of the conduct and whether the conduct was purposeful and with knowledge that it was in contravention of the Act and regulations;

(3) Any justification or excuse for such conduct;

(4) The prior history of the licensee with respect to compliance with the Act and regulations;

(5) The corrective action taken by the licensee to prevent future misconduct of a like nature from occurring; and

(6) In the case of a monetary penalty, the amount of the penalty in relation to the severity of the misconduct and the financial means of the licensee. The Commissioner and Gaming Division may impose any schedule or terms of payment of such penalty, as they may deem appropriate.

(7) The applicant or Franchise Licensee may not allege, in its defense, that it violated a stipulation of the Law or of these Regulations by inadvertence, unintentionally or unknowingly. Those elements may only be taken into account to determine the degree of the sanction that will be imposed by the commissioner or the Gaming Division.

(f) A violation of any provision of these regulations, which is a continuing offense, shall be deemed to be a separate offense for each day during which it occurs. Nothing herein shall be deemed to preclude the Commissioner or Gaming Division from determining that multiple violations have been committed on a single day of those provisions of the regulations that establish offenses consisting in separate and distinct acts.

Section 13.5 Effectiveness.

These Regulations shall enter into effect once they have been filed at the Department of State.

Approved by the Board of Directors of the Puerto Rico Tourism Company, by the Secretary of the Department of Economic Development and Commerce, and by the Executive Director of the Puerto Rico Tourism Company, in San Juan, Puerto Rico, on _____, _____.

_____
President
Board of Directors
Tourism Company

_____
Executive Director
Tourism Company

Approved by the Governor of the Commonwealth of Puerto Rico at La Fortaleza, San Juan, Puerto Rico, on _____, _____.

_____
Governor

CERTIFICATION

I, OLGA M. ALICEA, AN ENGLISH-SPANISH INTERPRETER AND TRANSLATOR CERTIFIED TO THAT EFFECT BY THE ADMINISTRATIVE OFFICE OF THE U.S. COURTS AND BY THE NATIONAL ASSOCIATION OF JUDICIARY INTERPRETERS & TRANSLATORS, DO HEREBY CERTIFY THAT THE FOREGOING IS AN ACCURATE TRANSLATION INTO ENGLISH OF THE ORIGINAL SPANISH-LANGUAGE DOCUMENT; THAT I HAVE PERSONALLY TRANSLATED PORTIONS OF THIS DOCUMENT; AND THAT I HAVE REVIEWED, REVISED, EDITED, AND CORRECTED THE REMANDER OF THIS DOCUMENT TO REFLECT THE TRUE MEANING AND INTENTION OF THE ORIGINAL SPANISH-LANGUAGE DOCUMENT, TO THE BEST OF MY KNOWLEDGE AND ABILITIES.

/S/ OLGA M. ALICEA

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DATE REVISED: ~~SEPTEMBER 20, 2005~~ ~~/S/OLGA M. ALICEA, USCCI~~