

Nevada State Gaming Control Board Technology Division

System Based, System Supported, and Mobile Gaming Technology Overview



System Based and System Supported Background

- System based and system supported technical standards became effective in November 2005.
- The standards were incorporated into Regulation 14 “Technical Standards for Gaming Devices and On-Line Slot Systems” standards 1 and 2.
- No changes were made to the Regulations themselves since both types of systems are considered gaming devices and therefore they fall under the pre-existing gaming device regulations.

Mobile Gaming Background

- Assembly Bill 471 (“AB 471”) authorized the use of mobile communication devices for gaming. The State Gaming Control Board, with the Attorney General’s office, prepared draft regulations (NGC Reg. 5.220) to implement AB 471.
- Pursuant to Section 2 of AB 471, prior to the Nevada Gaming Commission adopting and implementing regulations, the Commission needed to determine that:
 - “(a) Mobile gaming systems are secure and reliable, and provide reasonable assurance that players will be of lawful age and communicating only from areas of licensed gaming establishments that have been approved by the Commission for that purpose; and
 - (b) Mobile gaming can be operated in a manner which complies with all applicable laws.”

Mobile Gaming Background

- The Technology Division reviewed the proposed mobile technology and determined that a mobile gaming system can be constructed that (i) will be secure and reliable (ii) will provide reasonable assurance that the use of the mobile gaming devices will be restricted to players of lawful age and that (iii) the use of these devices will be restricted to areas of gaming establishments specifically authorized by the Commission for mobile gaming.
- Following this determination the Division drafted Regulation 14 Technical Standard 4 “Mobile Gaming Systems”. These standards became effective March 2006.

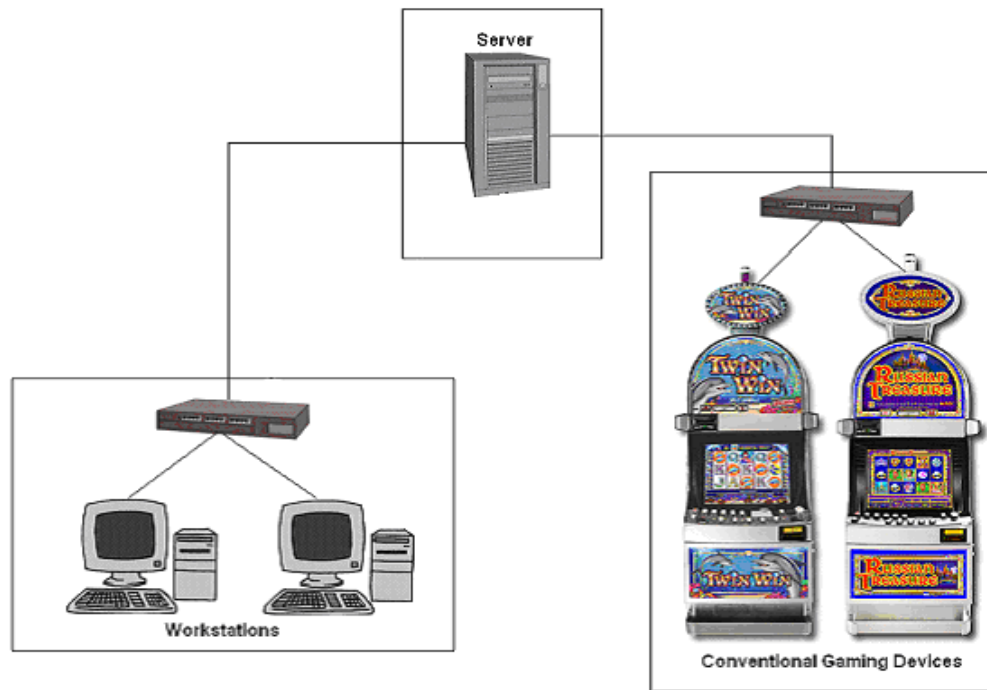
System Supported, System Based, and Mobile Gaming MICS

- MICS (Minimum Internal Control Standards)
- The Audit Division has proposed new MICS relating to these systems. These proposed MICS are now available on the Board's website.
- In order to support these new MICS there has been proposed changes to Technical Standard as well.

What are these things?

- A **system supported** game is comprised of a secure server that is used to download new software or make configuration changes to traditional/client gaming devices. There will be little difference to the patron between the games we have now and the system supported games. However, operators will notice a significant difference since they will be able to perform upgrades, install new games and change percentages, etc. Through the secure server instead of having a slot technician swap EPROMs.

System Supported Game



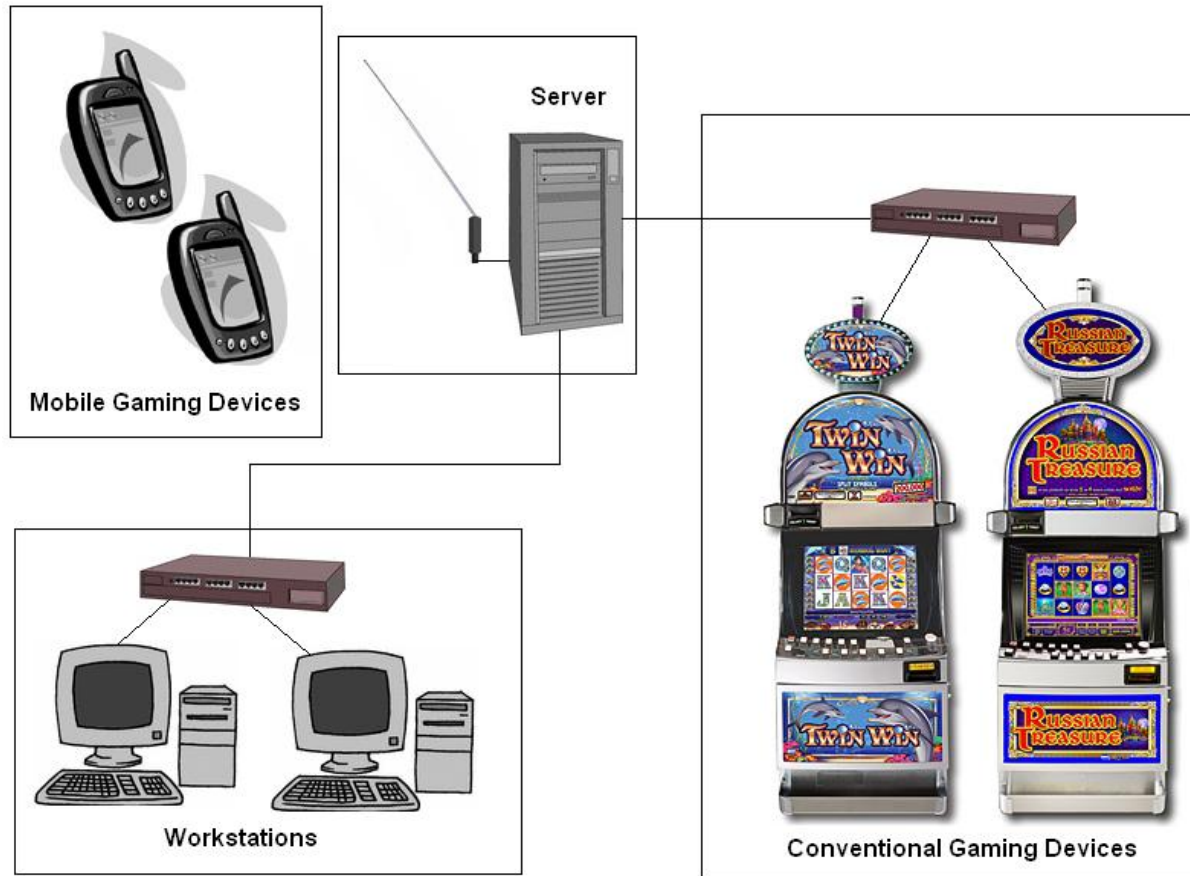
What are these things?

- A **system based** game is comprised of a secure server, which determines game outcome and sends the game outcome to the client stations. The client stations no longer contain the RNG that determines game outcome. This represents a much larger change from our current gaming devices. This is a “central determination” type of a system and resembles most “lottery style” games used in other jurisdictions or Internet games. The similarity with lottery systems is close enough that at least one manufacturer is developing a system based game as a modification of their existing lottery system.

What are these things?

- **Mobile gaming** is basically a server based gaming system in which the game outcome is determined by a central computer server with a mobile communications device, such as a PDA, instead of a stationary client. The device receives the wagering information from the patron, communicates such information wirelessly to the server, which determines the game outcome (e.g., win/loss) and wirelessly communicates the game outcome to the device.
- All of these systems will reside in a single gaming establishment.

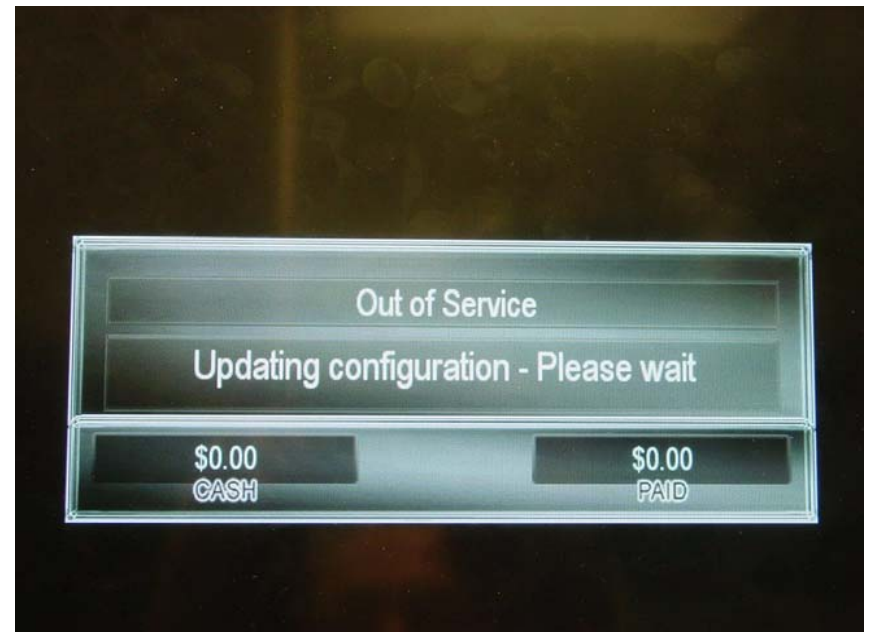
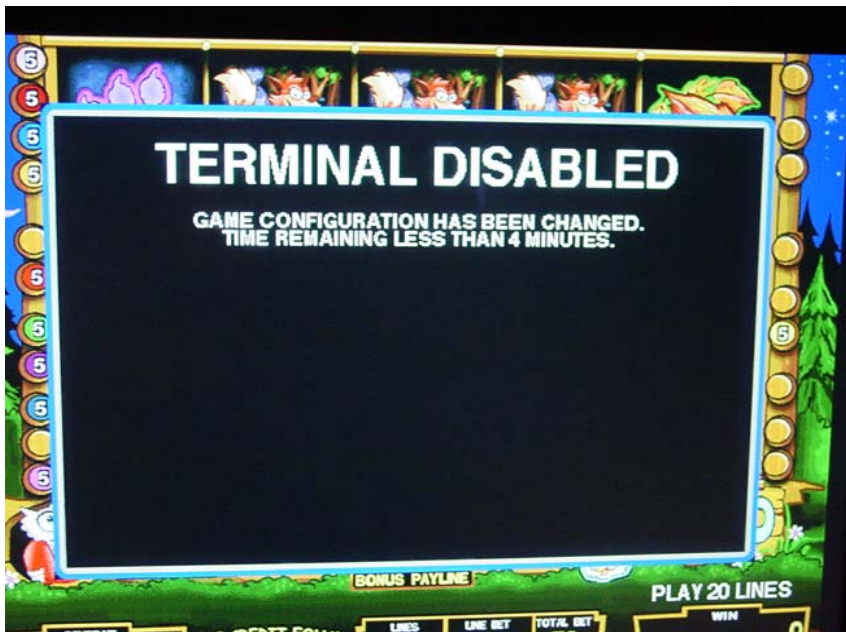
System Based Game



Old Methods vs. System Methods

- ❑ In the past a slot technician needed to obtain access to a gaming device in order to make software/configuration changes. Reconfiguring a device take an average of 15 to 30 minutes.
- ❑ System methods will allow an operator to change software/configurations in a minimum of 8 minutes.
- ❑ Old methods make patrons, as well as regulators, aware that a change was potentially being made since a technician was working on the device. However, there is no direct tracking of what work is actually being performed.
- ❑ System Based and System Supported games will notify the patron of the change. Systems track and store every software/configuration change for a minimum of 90 days.

Configuration Messages





Why Use them?

Operators reasons for wanting a system based or a system supported gaming system:

- Greater management over what is installed and how it is configured on the floor.
- Ease of upgrade.
- Allows operator to keep pace with shortening life span of gaming device themes.
- Allows operator to offer patrons unique features such as instant tournaments.



Why Use Mobile Devices?

Manufacturers think mobile devices are beneficial:

- Used in conjunction with other gaming activities such as bingo and in the race and sports books.
- Used to allow patrons to go mobile and gamble in non-traditional areas such as the pool area or in convention space.
- Operators also would like to add additional features on the mobile devices.



How Will This Technology Impact the Board?

Technology Division

- New “modern” technology.
- Not as easy to secure as a conventional gaming device.
- Requires different techniques to perform field inspections and will allow for real time remote verification of game and system software.
- Requires different techniques to perform reviews of new systems and modifications to approved systems.

How Will This Technology Impact the Board and the Industry?

Audit Division

- Each mobile device will be taxed as a gaming device.
- From an accounting standpoint, system supported games will not be terribly different from standard gaming devices currently on the floor.
- There will be new revenue reporting requirements for system based gaming with an emphasis when it comes to mobile gaming.
- Initial implementations of system based and mobile gaming most likely will involve their own accounting and cashless wagering systems since they will not be able to interface existing systems.

How Will This Technology Impact the Board and the Industry?

Enforcement Division

- In the case of patron disputes or complaints these systems will be able to be reviewed much like games today, but with an increased amount of information available.
- For System Supported Games the security will remain the same as conventional devices on the floor.
- For System Based Games the security will reside on the servers operating the system. The devices on the floor, especially in the case of mobile devices, will be “dumb” clients.

When will this technology be seen in the field?

- ❑ IGT SBG 1.0 was deployed in the field in January 2006 and allowed for remote game configurations.
- ❑ IGT SBG 1.2 was deployed in the field in November of 2006 and added the ability to download game content.
- ❑ Currently Cantor Gaming is operating a system based/mobile gaming system at the Venetian.
- ❑ The first large scale implementation of a system based game will probably not be until the 4th quarter of '09.