

## STATE OF NEVADA GAMING CONTROL BOARD

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DENNIS K. NEILANDER, Chairman MARK A. CLAYTON, Member RANDALL E. SAYRE, Member

July 11, 2008

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TO: ALL NONRESTRICTED LICENSEES SUBJECT TO NGC REGULATION 6.045 AND INTERESTED PARTIES

SUBJECT: REGULATION 6.045 WAIVERS

NGC Regulation 6.045 requires all Group I nonrestricted licensees that have \$10 million or more in annual gross gaming revenue, as of June 30th, to install an on-line slot metering system that meets the specifications addressed in Technical Standard 3 of Regulation 14. May 22, 2005 was the date for compliance with this Regulation which was agreed upon by associated equipment manufacturers, Group I nonrestricted licensees, the Gaming Control Board and, eventually, the Nevada Gaming Commission.

Then Board Member Scherer extended the Regulation 6.045 compliance date to May 22, 2006 as the majority of systems that were thought to be Technical Standard 3 compliant were not submitted to the Board until December 2004. At that time it was believed that a one-year extension would allow the Board sufficient time to review and approve the systems and then have those systems installed at all locations. However, based on reviews of the actual systems, additional modifications were necessary. As a result, it was not possible for some casinos to meet the May 22, 2006 deadline for system installations in a reasonable, organized fashion.

In an industry letter, dated November 23, 2005, rather than choosing an arbitrary date for compliance by all, the Board granted Regulation 6.045 waivers for each individual Group I licensee based on installation schedules provided by the system manufacturers of approved systems.

All Technical Standard 3 compliant systems have been reviewed and are now in the field, and all manufacturers have submitted installation schedules to the Board that will bring all requisite Group I nonrestricted licensees into compliance by December 31, 2008.

Therefore the waivers granted in the industry letter, dated November 23, 2005, will expire on December 31, 2008, and no additional extensions will be granted unless a significant portion of the licensee's gaming devices are incapable of communicating with an on-line slot metering system.

If you have not contacted a system manufacturer regarding acquisition of a new Technical Standard 3 compliant slot system, or you are not aware of when you are scheduled to upgrade your current system, I encourage you to do so now in advance of the waiver expiration.

Beginning March 1, 2009, licensees required to install and operate a Technical Standard 3 compliant system may be subject to disciplinary action for failure to comply with Regulation 6.045.

Regulation 6.045 waiver requests should be submitted to the Las Vegas office of the Board's Technology Division, attention Travis Foley, Chief. Should you have any questions regarding this process, please contact Chief Foley at (702) 486-2043.

Sincerely,

Mark A. Clayton Board Member

MAC/TF:je

c: Dennis K. Neilander, Board Chairman Randall E. Sayre, Board Member Technology Division – Las Vegas Audit Division – Las Vegas Records & Research Services