

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

\_\_\_\_\_  
In the Matter of

AMERICAN WAGERING, INC.

(Registration)\_\_\_\_\_

TWENTY-SECOND REVISED ORDER OF REGISTRATION

THIS MATTER came on regularly for hearing before the State Gaming Control Board (“Board”) on August 9, 2000, and before the Nevada Gaming Commission (“Commission”) on August 24, 2000, at Carson City, Nevada; and

THE BOARD AND COMMISSION having considered all information pertinent hereto;

IT IS HEREBY ORDERED BY THE NEVADA GAMING COMMISSION UPON THE RECOMMENDATION OF THE STATE GAMING CONTROL BOARD:

1. THAT the following applications, as amended and supplemented, have been filed:

a. The application of American Wagering, Inc. for an amendment to its Twenty-First Order of Registration; and

b. The application of Leroy’s Horse and Sports Place to conduct off-track pari-mutuel race wagering at Vacation Village Hotel and Casino, 6711 South Las Vegas Boulevard, Las Vegas.

2. THAT the Twenty-First Revised Order of Registration, dated July 27, 2000, is hereby amended and restated, in its entirety, by this Twenty-Second Revised Order of Registration.

3. THAT American Wagering, Inc. is registered as a publicly traded corporation, and is found suitable as the sole shareholder of Leroy's Horse and Sports Place, Computerized Bookmaking Systems, Inc. and AWI Keno, Inc.

4. THAT American Wagering, Inc. is approved, pursuant to NGC Regulation 16.200, to acquire control of B-P Gaming Corporation.

5. THAT American Wagering, Inc. is found suitable as the sole shareholder of B-P Gaming Corporation.

6. THAT AWI Keno, Inc. is licensed as an operator of an inter-linked system for the purpose of conducting a statewide linked network keno game via an inter-casino linked system, pursuant to NRS 463.160, subject to such conditions or limitations as may be imposed by the Commission.

7. THAT AWI Keno, Inc. is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission.

8. THAT Computerized Bookmaking Systems, Inc. is registered as an intermediary company and found suitable as a 50% shareholder of Megasports Inc. provided, that Computerized Bookmaking Systems, Inc. shall have no further direct or indirect expansion of the relationship with Hipodromo de Aqua Caliente, S.A. de C.V, or its affiliates.

9. THAT Megasports, Inc. is licensed as a systems operator for off-track pari-mutuel sports wagering, subject to such conditions or limitations as may be imposed by the Commission.

10. THAT Leroy's Horse and Sports Place is licensed to conduct off-track pari-mutuel sports wagering and nonrestricted gaming operations (race book and sports pool only) at the

following locations, subject to the conditions or limitations, as applicable, set forth in Paragraph 13(a)-(e) and any other conditions or limitations as may be imposed by the Commission:

Avi Hotel & Casino, 10000 Aha Macav Parkway, Laughlin;  
Barcelona Hotel & Casino, 5021 East Craig Road, Las Vegas;  
Bourbon Street Hotel, 120 East Flamingo Road, Las Vegas;  
Carson Nugget, 507 North Carson Street, Carson City;  
Carson Valley Inn, 1627 Highway 395, Minden;  
Four Queens Hotel & Casino, 202 East Fremont Street, Las Vegas;  
Hacienda Hotel & Casino, Highway 93, Boulder City;  
Key Largo Casino, 377 E. Flamingo Road, Las Vegas;  
Rail City Casino, 2121 B Street, Sparks;  
Railroad Pass Casino, Highway 93, Boulder City;  
Red Lion Inn and Casino, 2065 Idaho Street, Elko.

11. THAT Leroy's Horse and Sports Place is licensed to conduct off-track pari-mutuel sports wagering and nonrestricted gaming operations (sports pool only) at the following locations, subject to the conditions or limitations, as applicable, set forth in Paragraph 13(a)-(e) and any other conditions or limitations as may be imposed by the Commission:

Bonanza Casino, 4760 North Virginia Street, Reno;  
Comstock Hotel and Casino, 200 West Second Street, Reno;  
Ellis Island Casino, 4178 Koval Lane, Las Vegas;  
Mahoney's Silver Nugget, 2140 Las Vegas Boulevard North, Las Vegas;  
Nevada Landing, Interstate 15, Jean;  
Nevada Palace Hotel and Casino, 5255 Boulder Highway, Las Vegas;  
Parker's Model T Casino, 1130 West Winnemucca Boulevard, Winnemucca;  
Riviera Hotel & Casino, 2901 Las Vegas Boulevard South, Las Vegas;  
Sand's Regency and Mr. C's, 345 North Arlington, Reno; and  
Skyline Restaurant & Casino, 1741 North Boulder Highway, Henderson.

12. THAT Leroy's Horse and Sports Place, dba Leroy's Horse and Sports Place, is licensed to conduct off-track pari-mutuel race and sports wagering and nonrestricted gaming operations (slot machines, race book and sports pool only), including a racebook and sports pool, at 3111 West Tropicana Avenue, Las Vegas, subject to the conditions or limitations, as applicable, set forth in Paragraph 13(a)-(e) and any other conditions or limitations as may be imposed by the Commission.

13. THAT Leroy's Horse and Sports Place is licensed to conduct off-track pari-mutuel sports wagering and the following nonrestricted gaming operations doing business at the

following locations, subject to the conditions or limitations set forth below, and any other conditions or limitations as may be imposed by the Commission:

Crystal Bay Club, #14 State Route 28, Crystal Bay  
(race book and sports pool only);  
Diamonds Casino  
(race book and sports pool only);  
Ed's Topaz Nugget  
(race book and sports pool only);  
Eureka Casino Hotel, 275 Mesa Boulevard, Mesquite  
(race book and sports pool only);  
Fitzgeralds Casino/Hotel, 301 East Fremont Street, Las Vegas  
(sports pool only);  
Fitzgeralds Casino/Hotel Race & Sportsbook, 255 North Virginia, Reno,  
(race book and sports pool only);  
Golden Gate, 1 East Fremont Street, Las Vegas  
(race book and sports pool only);  
Hobey's Casino and Restaurant, 5159 Sun Valley Drive, Sun Valley, Nevada;  
(race book and sports pool only)  
Lady Luck Casino Hotel, 206 North 3rd Street, Las Vegas  
(race book and sports pool only);  
Magic Star Casino  
(race book and sports pool only);  
Ormsby House Hotel & Casino, 600 South Carson, Carson City  
(race book and sports pool only);  
Pioneer Inn Casino, 221 South Virginia Street, Reno  
(race book and sports pool only)  
Pot O' Gold, 120 Market Street, Henderson  
(race book and sports pool only);  
P.T. Mining Company, 920 Boulder Highway, Henderson  
(race book and sports pool only);  
Ramada Express Hotel and Casino, 2121 South Casino Drive, Laughlin  
(race book and sports pool only);  
Red Lion Inn and Casino, 741 West Winnemucca Boulevard, Winnemucca (race  
book and sports pool only);  
River Palms Resort/Casino, 2700 South Casino Drive, Laughlin  
(sports pool only);  
Royal Hotel Casino, 99 Convention Center Drive, Las Vegas  
(race book and sports pool only);  
Saddle West Hotel & Casino, 1220 South Highway 160, Pahrump  
(race book and sports pool only);  
Si Redd's Oasis Resort Hotel Casino, 897 West Mesquite Boulevard, Mesquite  
(race book and sports pool only);  
Tahoe Biltmore Lodge, Highway 28, Crystal Bay  
(race book and sports pool only); and  
The Ramada Inn and Speakeasy Casino, 200 East Sixth Street, Reno  
(race book and sports pool only);  
The Speedway Casino & Cafe, 3227 Civic Center Drive, North Las Vegas  
(race book and sports pool only); and  
Tropicana Resort & Casino, 3801 Las Vegas Boulevard, South, Las Vegas

(race book and sports pool only).

a. The licensee must comply with Nevada Gaming Commission Regulation 6.090 as it relates to the submission of an adequate internal control system and compliance with the minimum internal control standards for a computerized race book and sports pool.

b. Any change in any agreement or the creation of any new agreement between Leroy's Horse and Sports Place, and the licensed location, must be reported to the Board within 30 days of such change.

c. Funds between Leroy's Horse and Sports Place, and the licensed location, must not be commingled.

d. The ticket writers must be employees of Leroy's Horse and Sports Place.

e. The surveillance system must be installed, reviewed and administratively approved by the Board's Enforcement Division prior to issuance of a State Gaming License and thereafter be maintained at or above the standard which is approved.

14. THAT Leroy's Horse and Sports Place, dba Leroy's Horse and Sports Place, is licensed to conduct off-track pari-mutuel race and sports wagering and nonrestricted gaming operations (race book and sports pool only) doing business at Vacation Village Hotel and Casino, 6711 South Las Vegas Boulevard, Las Vegas, subject to the conditions or limitations, as applicable, set forth in Paragraph 13(a)-(e) and any other conditions or limitations as may be imposed by the Commission.

15. THAT Leroy's Horse and Sports Place is licensed to conduct nonrestricted gaming operations (sports pool only) at Hotel San Remo, Las Vegas, Casino and Resort, 115 East Tropicana, Las Vegas, subject to such conditions or limitations as may be imposed by the Commission.

16. THAT Victor John Salerno, Jr. and Judith Louise Salerno are each found suitable, pursuant to NRS 463.643, and NGC Regulation 16.400, as shareholders and controlling shareholders of American Wagering, Inc.

17. THAT, pursuant to NGC Regulation 26B.190, the provisions of NGC Regulation 26B.040(4), as they relate to Megasports, Inc.'s licensure as an off-track pari-mutuel sports wagering systems operator, are hereby waived, subject to such conditions or limitations as imposed by the Commission.

18. THAT pursuant to the Stipulation for Settlement and Order filed in NGC Case No. 99-27, the following conditions are imposed on American Wagering, Inc.:

a. American Wagering, Inc. shall provide the Board with bi-monthly reports related to the initial blocked Internet access to the MegaSports Australia site.

b. In addition to verification procedures utilized by MegaSports Australia employees in Australia, the American Wagering, Inc. Director of Regulatory Compliance shall routinely and randomly audit the procedures utilized by the Australian employees for compliance with internal control procedures, and shall perform additional identification verification procedures if necessary.

c. American Wagering, Inc. shall provide the Board with bi-monthly reports of any denied account applications.

d. American Wagering, Inc. shall provide the Board with notification of any active MegaSports Australia account determined, subsequent to opening, to have originated in the United States. Any such account shall be immediately closed and the wager therein rescinded. American Wagering, Inc. shall notify the Board within forty-eight (48) hours of detecting such account and shall provide written proof within forty-eight (48) hours after the account was closed.

e. American Wagering, Inc. shall provide the Board with monthly account summaries, including information related to account activity, patron identification and account balances.

f. American Wagering, Inc. shall continue to work with Internet consultants in order to develop better technology to target Internet access origins, and shall further provide the Board with monthly reports related to such developments.

g. Should the complete divestiture fail to be completed within 180 days of the Commission's acceptance of the Stipulation for Settlement and Order in NGC Case No. 99-27, American Wagering, Inc. shall immediately notify the Board and request an extension from the Board Chairman or Commission pursuant to paragraph 6 of the settlement agreement. American Wagering, Inc. shall provide the Board with monthly status reports related to their efforts to locate a new purchaser for MegaSports Australia.

19. THAT American Wagering, Inc. shall establish and maintain a gaming compliance program for the purpose of, at a minimum, performing due diligence, determining the suitability of relationships with other entities and individuals, and to review and ensure compliance by American Wagering, Inc., its subsidiaries and any affiliated entities, with the Nevada Gaming Control Act (the "Act"), as amended, the Commission's Regulations (the "Regulations"), as amended, and the laws and regulations of any other jurisdictions in which American Wagering, Inc., its subsidiaries and any affiliated entities operate. The gaming compliance program, any amendments thereto, and the members of the gaming compliance committee, one such member which shall be independent and knowledgeable of the Act and Regulations, shall be administratively reviewed and approved by the Chairman of the Board, or his designee. Furthermore, upon request of the Chairman of the Board, or his designee, American Wagering, Inc., shall amend the gaming compliance program, or any element thereof, and perform such duties as may be assigned by the Chairman of the Board, or his designee related to a review of activities relevant to the continuing qualification of American Wagering, Inc., under the provisions of the Act and Regulations.

20. THAT American Wagering, Inc. shall fund and maintain with the Board a revolving fund in the amount of \$15,000 for the purpose of funding investigative reviews by the

Board for compliance with the terms of this Order of Registration. Without limiting the foregoing, the Board shall have the right, without notice, to draw upon the funds of said account for the payment of costs and expenses incurred by the Board and its staff in the surveillance, monitoring and investigative review of all activities of American Wagering, Inc., its direct and indirect subsidiaries, and their affiliated companies.

21. THAT, pursuant to NRS 463.625, American Wagering, Inc. is exempted from compliance with NRS 463.585 through NRS 463.615, inclusive and shall instead comply with NRS 463.635 through 463.645, inclusive.

22. THAT American Wagering, Inc. is exempted from NGC Regulation 15 and shall instead comply with NGC Regulation 16.

23. THAT the Commission hereby expressly finds that the exemptions and waivers granted hereinabove are consistent with the State policy set forth in NRS 463.0129, NRS 463.489 and NRS 464.020, as applicable.

ENTERED at Carson City, Nevada, this 24<sup>th</sup> day of August 2000.