

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

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

AMERICAN WAGERING, INC.

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

TWENTY-FIFTH REVISED ORDER OF REGISTRATION

THIS MATTER came on regularly for hearing before the State Gaming Control Board (“Board”) on July 11, 2001, and before the Nevada Gaming Commission (“Commission”) on July 26, 2001, at Las Vegas, 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-Fourth Revised Order of Registration; and

b. The applications of Leroy’s Horse and Sports Place dba Leroy’s Horse and Sports Place for a nonrestricted gaming license (sports pool only) at Red Garter Hotel/Casino Sports Pool, Scoreboard Sports Pool, Pahrump Nugget Hotel & Gambling Hall Sports Book, and Stockmen’s Hotel/Casino Sports Pool.

2. THAT the Twenty Fourth Revised Order of Registration, dated November 20, 2000, is hereby amended and restated, in its entirety, by this Twenty Fifth 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 and AWI Keno, Inc.

4. 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.

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

6. THAT American Wagering, Inc., and its subsidiaries shall have no further direct or indirect expansion of the relationship with Hipodromo de Aqua Caliente, S.A. de C.V., or its affiliates; provided however, American Wagering, Inc., and its wholly owned subsidiary, Computerized Bookmaking Systems, Inc., are approved for a one-time waiver of this condition to effectuate the terms of the Settlement Agreement and Mutual Release, dated March 31, 1999, and the Software License Agreement, dated March 31, 1999, as amended on October 15, 2000, entered between them and Hipodromo de Aqua Caliente, S.A. de C.V.

7. THAT Leroy's Horse and Sports Place, dba Leroy's Horse and Sports Place, is licensed at the following locations to conduct off-track pari-mutuel wagering and nonrestricted gaming operations, as specified in parentheses, subject to the conditions or limitations set forth below, and any other conditions or limitations as may be imposed by the Commission:

Avi Hotel & Casino, 10000 Aha Macav Parkway, Laughlin;  
(pari-mutuel sports wagering / race book and sports pool)  
Barcelona Hotel & Casino, 5021 East Craig Road, Las Vegas;  
(pari-mutuel sports wagering / race book and sports pool)  
Bonanza Casino, 4760 North Virginia Street, Reno;

(pari-mutuel sports wagering / sports pool)  
 Bourbon Street Hotel, 120 East Flamingo Road, Las Vegas;  
 (pari-mutuel sports wagering / race book and sports pool)  
 Carson Nugget, 507 North Carson Street, Carson City;  
 (pari-mutuel sports wagering / race book and sports pool)  
 Carson Valley Inn, 1627 Highway 395, Minden;  
 (pari-mutuel sports wagering / race book and sports pool)  
 Comstock Hotel and Casino, 200 West Second Street, Reno;  
 (pari-mutuel sports wagering / sports pool)  
 Crystal Bay Club, #14 State Route 28, Crystal Bay;  
 (pari-mutuel sports wagering / race book and sports pool)  
 Diamonds Casino, 1010 East 6<sup>th</sup> Street, Reno;  
 (pari-mutuel sports wagering / race book and sports pool)  
 Ed's Topaz Nugget, 1929 Highway 395, Topaz Lake, Nevada;  
 (pari-mutuel sports wagering / race book and sports pool)  
 Ellis Island Casino, 4178 Koval Lane, Las Vegas;  
 (pari-mutuel sports wagering / sports pool)  
 Eureka Casino Hotel, 275 Mesa Boulevard, Mesquite;  
 (pari-mutuel sports wagering / race book and sports pool)  
 Fitzgeralds Casino/Hotel, 301 East Fremont Street, Las Vegas;  
 (pari-mutuel sports wagering / sports pool)  
 Fitzgeralds Casino/Hotel Race & Sportsbook, 255 North Virginia, Reno;  
 (pari-mutuel sports wagering / race book and sports pool)  
 Four Queens Hotel & Casino, 202 East Fremont Street, Las Vegas;  
 (pari-mutuel sports wagering / race book and sports pool)  
 Gold Rush Casino Race Book and Sports Pool, 1195 West Sunset Road,  
 Henderson; (race book and sports pool)  
 Golden Gate, 1 East Fremont Street, Las Vegas;  
 (pari-mutuel sports wagering / race book and sports pool)  
 Hacienda Hotel & Casino, Highway 93, Boulder City;  
 (pari-mutuel sports wagering / race book and sports pool)  
 Hobey's Casino and Restaurant, 5159 Sun Valley Drive, Sun Valley, Nevada;  
 (pari-mutuel sports wagering / race book and sports pool)  
 Hotel San Remo Casino and Resort, 115 East Tropicana, Las Vegas;  
 (pari-mutuel sports wagering / sports pool)  
 Key Largo Casino, 377 E. Flamingo Road, Las Vegas;  
 (pari-mutuel sports wagering / race book and sports pool)  
 Lady Luck Casino Hotel, 206 North 3rd Street, Las Vegas;  
 (pari-mutuel sports wagering / race book and sports pool)  
 Leroy's Horse and Sports Place, 3111 West Tropicana Avenue, Las Vegas  
 (pari-mutuel race and sports wagering / slot machines, keno, race book, and  
 sports pool)  
 Magic Star Casino, 2000 Boulder Highway, Henderson;  
 (pari-mutuel sports wagering / race book and sports pool)  
 Mahoney's Silver Nugget, 2140 Las Vegas Boulevard North, Las Vegas;  
 (pari-mutuel sports wagering / sports pool)  
 Nevada Landing, Interstate 15, Jean;  
 (pari-mutuel sports wagering / sports pool)  
 Nevada Palace Hotel and Casino, 5255 Boulder Highway, Las Vegas;  
 (pari-mutuel sports wagering / sports pool)  
 Ormsby House Hotel & Casino, 600 South Carson, Carson City;

(pari-mutuel sports wagering / race book and sports pool)  
 Parker's Model T Casino, 1130 West Winnemucca Boulevard, Winnemucca;  
 (pari-mutuel sports wagering / sports pool)  
 Pahrump Nugget Hotel & Gambling Hall Sports Pool, 681 South 160 Highway,  
 Pahrump; (sports pool)  
 P.T. Mining Company, 920 Boulder Highway, Henderson;  
 (pari-mutuel sports wagering / race book and sports pool)  
 Rail City Casino, 2121 B Street, Sparks;  
 (pari-mutuel sports wagering / race book and sports pool)  
 Railroad Pass Casino, Highway 93, Boulder City;  
 (pari-mutuel sports wagering / race book and sports pool)  
 Ramada Express Hotel and Casino, 2121 South Casino Drive, Laughlin;  
 (pari-mutuel sports wagering / race book and sports pool)  
 Red Garter Hotel/Casino Sports Pool, 1225 West Wendover Boulevard,  
 Wendover; (sports pool)  
 Red Lion Inn and Casino, 2065 Idaho Street, Elko;  
 (pari-mutuel sports wagering / race book and sports pool)  
 Red Lion Inn and Casino, 741 West Winnemucca Boulevard, Winnemucca;  
 (pari-mutuel sports wagering / race book and sports pool)  
 River Palms Resort/Casino, 2700 South Casino Drive, Laughlin;  
 (pari-mutuel sports wagering / sports pool)  
 Riviera Hotel & Casino, 2901 Las Vegas Boulevard South, Las Vegas;  
 (pari-mutuel sports wagering / sports pool)  
 Royal Hotel Casino, 99 Convention Center Drive, Las Vegas;  
 (pari-mutuel sports wagering / race book and sports pool)  
 Saddle West Hotel & Casino, 1220 South Highway 160, Pahrump;  
 (pari-mutuel sports wagering / race book and sports pool)  
 Sand's Regency and Mr. C's, 345 North Arlington, Reno;  
 (pari-mutuel sports wagering / sports pool)  
 Scoreboard Sports Pool, 259 Spring Creek Parkway, Spring Creek;  
 (sports pool)  
 Si Redd's Oasis Resort Hotel Casino, 897 West Mesquite Boulevard, Mesquite;  
 (pari-mutuel sports wagering / race book and sports pool)  
 Skyline Restaurant & Casino, 1741 North Boulder Highway, Henderson;  
 (pari-mutuel sports wagering / sports pool)  
 Stockmen's Hotel/Casino Sports Pool, 340 Commercial Street, Elko;  
 (sports pool)  
 Tahoe Biltmore Lodge, Highway 28, Crystal Bay;  
 (pari-mutuel sports wagering / race book and sports pool)  
 The Ramada Inn and Speakeasy Casino, 200 East Sixth Street, Reno;  
 (pari-mutuel sports wagering / race book and sports pool)  
 The Speedway Casino & Cafe, 3227 Civic Center Drive, North Las Vegas;  
 (pari-mutuel sports wagering / race book and sports pool)  
 Tropicana Resort & Casino, 3801 Las Vegas Boulevard, South, Las Vegas;  
 (pari-mutuel sports wagering / race book and sports pool)  
 and  
 Vacation Village Hotel and Casino, 6711 South Las Vegas Boulevard, Las Vegas  
 (pari-mutuel race and sports wagering / race book and sports pool).

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.

8. 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.

9. 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.

10. 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 who 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.

11. 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.

12. 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.

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

14. 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 Las Vegas, Nevada, this 26<sup>th</sup> day of July, 2001.