

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

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In the Matter of

BLACK HAWK GAMING &  
DEVELOPMENT COMPANY, INC.

(Registration)

ORDER OF REGISTRATION

THIS MATTER came on regularly for hearing before the State Gaming Control Board ("Board") on December 6, 2000, and before the Nevada Gaming Commission ("Commission") on December 20, 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 applications of Black Hawk Gaming & Development Company, Inc., for: (i) registration as a publicly traded corporation, (ii) a finding of suitability as the sole shareholder of Gold Dust West Casino, Inc., (iii) approval to pledge the equity securities of Gold Dust West Casino, Inc., to Wells Fargo Bank, National Association, as Agent Bank, in conjunction with a credit agreement, and (iv) approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Gold Dust West Casino, Inc., in conjunction with a credit agreement;

b. The applications of Diversified Opportunities Group LTD (LLC) for: (i) registration as an intermediary company and (ii) a finding of suitability as a shareholder and controlling shareholder of Black Hawk Gaming & Development Company, Inc.

c. The applications of Jacobs Entertainment LTD (LLC) for: (i) registration as an intermediary company, (ii) a finding of suitability as a controlling shareholder of Black Hawk Gaming & Development Company, Inc., and (iii) a finding of suitability as a member and manager of Diversified Opportunities Group LTD (LLC);

d. The applications of The Richard E. Jacobs Revocable Living Trust Dated April 23, 1987, as amended, for: (i) registration as a holding company and (ii) a finding of suitability as a member of Diversified Opportunities Group LTD (LLC).

e. The applications of Jacobs Entertainment, Inc., for: (i) registration as a holding company and (ii) a finding of suitability as a member of Jacobs Entertainment LTD (LLC);

f. The applications of Jeffrey Paul Jacobs for a finding of suitability as shareholder and controlling shareholder of Black Hawk Gaming & Development Company, Inc.;

g. The applications of Richard Everett Jacobs for a finding of suitability as a controlling person of Black Hawk Gaming & Development Company, Inc.;

h. The applications of Gold Dust West Casino, Inc., dba Gold Dust West, for: (i) a nonrestricted gaming license and (ii) licensure as a manufacturer and as a distributor.

2. THAT Black Hawk Gaming & Development Company, Inc., is registered as a publicly traded corporation and is found suitable as the sole shareholder of Gold Dust West Casino, Inc.

3. THAT Diversified Opportunities Group LTD (LLC) is registered as an intermediary company and is found suitable as a shareholder and controlling shareholder of Black Hawk Gaming & Development Company, Inc.

4. THAT Jacobs Entertainment LTD (LLC) is registered as an intermediary company, is found suitable as a controlling shareholder of Black Hawk Gaming & Development Company, Inc., and is found suitable as a member and manager of Diversified Opportunities Group LTD (LLC).

5. THAT The Richard E. Jacobs Revocable Living Trust Dated April 23, 1987, as amended, is registered as a holding company and is found suitable as a member of Diversified Opportunities Group LTD (LLC).

6. THAT Jacobs Entertainment, Inc., is registered as a holding company and is found suitable as a member of Jacobs Entertainment LTD (LLC).

7. THAT Jeffrey Paul Jacobs is found suitable as shareholder and controlling shareholder of Black Hawk Gaming & Development Company, Inc.

8. THAT Richard Everett Jacobs is found suitable as a controlling person of Black Hawk Gaming & Development Company, Inc.

9. THAT Gold Dust West Casino, Inc., dba Gold Dust West, is licensed to conduct nonrestricted gaming operations at 444 Vine Street, Reno, and is licensed as a manufacturer and as a distributor, subject to such conditions or limitations as may be imposed by the Commission.

10. THAT Black Hawk Gaming & Development Company, Inc., is granted approval, pursuant to NRS 463.510(1) and NGC Regulation 8.030, to pledge the equity securities of Gold Dust West Casino, Inc., to Wells Fargo Bank, National Association, as Agent Bank, in conjunction with the Credit Agreement, dated April 16, 1999, as amended, ("Credit Agreement"), provided that:

a. This approval is pursuant to the Security Agreement and Pledge of Stock, in the form of the draft dated November 20, 2000 ("Pledge Agreement"), a fully executed copy of which must be provided to the Board within five (5) business days after execution;

b. The prior approval of the Commission must be obtained before any foreclosure or transfer of any possessory security interest in such securities (except back to Black Hawk Gaming & Development Company, Inc.) and before any other resort to the collateral or other enforcement of the security interest in such securities may occur; and

c. Pursuant to NGC Regulations 15.510.1-3 and 8.030(4)(a), the stock certificates of Gold Dust West Casino, Inc., evidencing said pledge of the equity securities, must at all times remain physically within the State of Nevada at a location designated to the Board and must be made available for inspection by agents or employees of the Board immediately upon request during normal business hours.

11. THAT the Pledge Agreement shall not be further amended without the prior administrative approval of the Chairman of the Board or his designee. Such administrative approval may not be granted regarding amendments to the Pledge Agreement that increase the shares that are the subject of the pledge, or that change the identity of the Agent Bank.

12. THAT in conjunction with the Credit Agreement and the Pledge Agreement, Black Hawk Gaming & Development Company, Inc., is granted approval, pursuant to NGC Regulation 15.510.1-4(a), to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Gold Dust West Casino, Inc.

13. THAT Black Hawk Gaming & Development Company, Inc., shall establish and maintain a Gaming Compliance Plan ("Plan") 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 Black Hawk Gaming & Development Company, Inc., and 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 jurisdiction in which Black Hawk Gaming & Development Company, Inc., its subsidiaries and any affiliated entities operate. The Plan, 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. Black Hawk Gaming & Development Company, Inc., shall amend the Plan, or any element thereof, and perform such duties as may be requested or assigned by Chairman of the Board or his designee relating to a review of activities relevant to the continuing qualifications of Black Hawk Gaming & Development Company, Inc., under the provisions of the Act and Regulations.

14. THAT Black Hawk Gaming & Development Company, Inc., shall fund and maintain with the Board a revolving fund in the amount of \$15,000.00 for the purpose of funding investigative reviews by the Board for compliance with the terms of this Order of Registration and any amendments thereto. 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 Black Hawk Gaming & Development Company, Inc., and its affiliated companies.

15. THAT pursuant to NRS 463.625, Black Hawk Gaming & Development Company, Inc., is exempted from compliance with NRS 463.585 through NRS 463.615, inclusive, and shall instead comply with NRS 463.635 through NRS 463.645, inclusive.

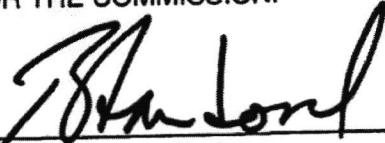
16. THAT Black Hawk Gaming & Development Company, Inc. is exempted from NGC Regulation 15 and shall instead comply with NGC Regulation 16.

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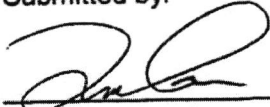
17. THAT the Commission hereby expressly finds that the exemptions and conditions herein are consistent with the State policy set forth in NRS 463.0129 and 463.489.

ENTERED at Carson City, Nevada, this 20<sup>th</sup> day of December 2000.

FOR THE COMMISSION:

  
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Brian Sandoval, Chairman

Submitted by:

  
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Lou Dorn, Chief  
Corporate Securities Division

APPROVED AS TO FORM:

FRANKIE SUE DEL PAPA  
ATTORNEY GENERAL

By   
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Deputy Attorney General  
Gaming Division