

DRAFT #1

File No. SD-107

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

In the Matter of  
CDS GAMING COMPANY  
(NGC Reg. 5.115(3))

ORDER

THIS MATTER came on regularly for hearing before the State Gaming Control Board ("Board") on September 2, 1998, and before the Nevada Gaming Commission ("Commission") on September 24, 1998, 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 CDS Gaming Company has filed an application, as amended and supplemented, pursuant to NGC Regulation 5.115(3)(c), for approval of an alternative method of providing periodic payments to winning patrons.

2. THAT CDS Gaming Company is granted approval, pursuant to NGC Regulation 5.115(3)(c), to provide periodic payments to winning patrons pursuant to the terms and conditions described in this Order, but such approval is limited to expire at midnight of the regular September 1999 Commission meeting and is conditioned as follows:

A. CDS Gaming Company or Casino Data Systems shall maintain a restricted account which may only be used for the purpose of funding CDS Gaming Company progressive system jackpots in Nevada pursuant to the terms and conditions of this Order (the "Restricted Account"). The Restricted Account shall be maintained for the benefit of winning patrons of CDS Gaming Company progressive systems in Nevada and shall include a reserve (the "Reserve") consisting of cash and/or United States Government Treasury Securities of not less than the sum of the following amounts:

- (i) Two times the amount initially paid to patrons upon verification of a winning jackpot ("Initial Payment") for any CDS Gaming Company progressive system in Nevada; and
- (ii) An amount sufficient to fully fund the present value of the difference between the amount currently reflected on the progressive meters of all CDS Gaming Company progressive systems in Nevada, and the Initial Payment amounts of all CDS Gaming Company progressive systems in Nevada; and
- (iii) The present value of the aggregate remaining balances owed on all jackpots previously won by patrons through any CDS Gaming Company Nevada progressive system.

B. In addition, CDS Gaming Company shall at all times maintain in the Restricted Account a surplus reserve (the "Surplus Reserve") consisting of cash and/or United States Government Treasury Securities equal to the