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File No. SD-037

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

In the Matter of  
  
JACKPOT ENTERPRISES, INC.  
  
(Public Offering)

ORDER

THIS MATTER came on regularly for hearing before the State Gaming Control Board ("Board") on January 12, 1994, and before the Nevada Gaming Commission ("Commission") on January 26, 1994, 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 applications of Jackpot Enterprises, Inc. for approval to make a public offering of up to \$92,000,000 of debt or Convertible Subordinated Debentures due 2004 and such number of shares of Common Stock, par value \$0.01, issuable upon conversion of the Convertible Subordinated Debentures due 2004; and for approval to place restrictions upon the transfer of, and to enter into an agreement not to encumber, the equity securities of Cardivan Company, Corral

Coin, Inc., Corral Country Coin, Inc., Corral United, Inc. and Jackpot Gaming, Inc. in conjunction with the public offering of its securities;

b. The application of Jackpot Gaming, Inc. for approval to place restrictions upon the transfer of, and to enter into agreement not to encumber, the equity securities of Jackpot Owl, Inc., Debbie's Casino, Inc. and Jackpot City, Inc. in conjunction with the public offering of Jackpot Enterprises, Inc.'s securities; and

c. The applications of Cardivan Company, Corral Coin, Inc., Corral Country Coin, Inc., Corral United, Inc., Jackpot Owl, Inc., Debbie's Casino, Inc. and Jackpot City, Inc. for approval to guarantee the securities offered by, or to hypothecate its assets to secure the payment or performance of any obligations evidenced by the securities offered by, Jackpot Enterprises, Inc. pursuant to the public offering made by it.

2. THAT Jackpot Enterprises, Inc. is granted approval, pursuant to NGC Regulation 16.110, to make a public offering of up to \$92,000,000 of debt or Convertible Subordinated Debentures due 2004 and such number of shares of Common Stock, par value \$0.01, issuable upon conversion of the Convertible Subordinated Debentures due 2004, as more fully described in the Securities and Exchange Commission ("SEC") Form S-3 Registration Statement (SEC Registration No. 33-72020) ("Registration Statement").

3. THAT the approval set forth in paragraph 2 is specifically conditioned as follows:

a. That Jackpot Enterprises, Inc. shall keep the Board's Corporate Securities Division continuously and promptly informed as to the progress of the public offering and as to any other event that may have a material effect on

Jackpot Enterprises, Inc. or its subsidiaries, which would be subject to reporting on SEC Form 8-K; and

b. That the approval granted herein may be rescinded without prior notice upon issuance of an interlocutory stop order by the Chairman of the Board. Said interlocutory stop order, if issued, shall remain in effect until it is lifted by the Commission upon such terms as are satisfactory to the Commission.

4. THE Commission hereby delegates to the Chairman of the Board the authority to issue interlocutory stop orders for good cause, which shall remain in effect until lifted by the Commission as provided in paragraph 3(b).

5. THE Commission hereby delegates to the Chairman of the Board the authority to administratively approve an increase in the amount of the public offering approved by paragraph 2; provided that the Chairman of the Board finds that such increase does not constitute a material change from the public offering approved hereby. For purposes hereof only, an increase of 10% or less in the amount of the public offering shall not be deemed a material change.

6. THAT Jackpot Enterprises, Inc. is hereby granted approval, pursuant to NGC Regulation 15.510.1-4, to place restrictions upon the transfer of, and to enter into agreement not to encumber, the equity securities of Cardivan Company, Corral Coin, Inc., Corral Country Coin, Inc. and Corral United, Inc., solely in conjunction with the public offering of the securities of Jackpot Enterprises, Inc. offered pursuant to the authority granted by paragraph 2 of this Order.

7. THAT Jackpot Enterprises, Inc. is hereby granted approval, pursuant to NGC Regulation 15.585.7-3, to place restrictions upon the transfer of, and to enter into agreement not to encumber, the equity securities of Jackpot Gaming, Inc., solely in conjunction with the public offering of the securities of Jackpot

Enterprises, Inc. offered pursuant to the authority granted by paragraph 2 of this Order.

8. THAT Jackpot Gaming, Inc. is hereby granted approval, pursuant to NGC Regulation 15.510.1-4, to place restrictions upon the transfer of, and to enter into agreement not to encumber, the equity securities of Jackpot Owl, Inc., Debbie's Casino, Inc. and Jackpot City, Inc., solely in conjunction with the public offering of the securities of Jackpot Enterprises, Inc. offered pursuant to the authority granted by paragraph 2 of this Order.

9. THAT Cardivan Company, Corral Coin, Inc., Corral Country Coin, Inc., Corral United, Inc., Jackpot Owl, Inc., Debbie's Casino, Inc. and Jackpot City, Inc., are each granted approval, pursuant to NGC Regulation 16.100(3), as corporate licensees, to guarantee the securities offered by Jackpot Enterprises, Inc. pursuant to the public offering made under the authority granted it by paragraph 2 of this Order, and to hypothecate their assets to secure the payment or performance of any obligation evidenced by the securities offered by Jackpot Enterprises, Inc. pursuant to the public offering made under the authority granted it by paragraph 2 of this Order.


10. THAT Jackpot Enterprises, Inc. is granted sixty (60) calendar days from the date of this Order to have the Registration Statement declared effective by the SEC. If the Registration Statement is not declared effective by the SEC within said time period, unless administratively extended by the Chairman of the

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Board or his designee, then this Order and all of the approvals, terms and provisions herein shall be deemed withdrawn and rendered null and void.

ENTERED at Las Vegas, Nevada, this 26th day of January, 1994.

FOR THE COMMISSION:

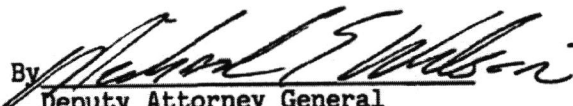
  
Bill Curran, Chairman

Submitted by:

  
Mark A. Clayton, Chief  
Corporate Securities Division

APPROVED AS TO FORM:

FRANKIE SUE DEL PAPA  
ATTORNEY GENERAL

By   
Deputy Attorney General  
Gaming Division