

FOND DU LAC BAND OF LAKE SUPERIOR CHIPPEWA

GAMING REGULATIONS

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FOND DU LAC BAND OF LAKE SUPERIOR CHIPPEWA

GAMING REGULATIONS

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FOND DU LAC BAND OF LAKE SUPERIOR CHIPPEWA

GAMING REGULATIONS

SECTION 1. OWNERSHIP OF GAMING ENTERPRISES AND USE OF NET REVENUES FROM GAMING.

- 1.1 The Band shall have the sole proprietary interest in and responsibility for the conduct of any gaming operation within its jurisdiction. No individually owned gaming shall be permitted under these Regulations.
- 1.2 Net revenues from any gaming enterprise under these regulations shall be paid to the Band, and allocated under the Band's budgeting mechanism to fund tribal government operations or programs, to provide for the general welfare of the Band and its members, to promote Band economic development, to donate to charitable organizations, and/or to help fund operations of local government agencies.

SECTION 2. AUTHORIZED GAMING.

- 2.1 Class I games may be permitted, and may include social games played solely for prizes of minimal value, and traditional forms of Indian gaming engaged in as part of tribal ceremonies, celebrations or pow-wows.
- 2.2 Class II games may be offered to the public, under the provisions of Section 11(b) of the Indian Gaming Regulatory Act of 1988, the Fond du Lac Gaming Ordinance, and these regulations. Class II games include bingo, lotto, paddlewheel, pull-tabs, raffle, tipboard, tip jars, and other games of chance where a designated winning number or numbers, color or colors, symbol or symbols are determined by chance, or non-banking card games which are played in conformity with Minnesota law regarding hours or periods of operation and limitations on wagers or pot sizes, and in conformity with the National Indian Gaming Commission Minimum Internal Control Standards as set forth in the Minimum Internal Control Standards adopted by the Fond du Lac Band of Lake Superior Chippewa.
- 2.3 The following Class III games may be offered to the public, under the provision of Section 11(d) of the Indian Gaming Regulatory Act of 1988, the Fond du Lac Gaming Ordinance, and the Video Games and Blackjack Tribal-State Compacts between the Fond du Lac Band of Lake Superior Chippewa and the State of Minnesota, and these regulations:
 - 2.3.1 Electronic games of chance with video facsimile displays;
 - 2.3.2 Blackjack.

SECTION 3. CONDUCT OF GAMES; GENERALLY

- 3.1 No person under eighteen (18) years of age may play any Class II or Class III game of chance. If any person below the age of 18 plays and otherwise qualifies for a prize or winnings, the prize or winnings shall not be paid and the estimated amount wagered during the course of the game shall be returned to the minor.
- 3.2 No person under eighteen (18) years of age may be employed in the conduct of Class II or Class III gaming, or in any other capacity at a gaming operation.
- 3.3 No person who is visibly intoxicated shall be permitted to play any Class II or Class III game.
- 3.4 All gaming shall be conducted on a cash basis. Except as herein provided, no person shall be extended credit for gaming by any Band gaming facility, nor shall any other person offer such credit for a fee. This section shall not restrict the installation or acceptance of bank card or credit card transactions in the same manner as would normally be permitted at any retail business within the State of Minnesota.
- 3.5 Rules governing the impartial resolution of a player dispute concerning the conduct of a game, which appear at section 15 of these Regulations shall be made available to customers upon request.
- 3.6. Alcoholic beverages may be served at locations where Class II or Class III games are played.
- 3.7. There shall be no discrimination in the operations under the Facility License by reason of race, color or creed, provided, however, that the Band shall give a preference in employment to qualified Indians.

SECTION 4. GAMING-RELATED CONTRACTOR; CONTRACTOR TO HOLD BAND LICENSE

- 4.1 “Gaming-related Contract” means any agreement under which the Band's gaming enterprise procures for Class II or Class III gaming materials, supplies, equipment, or services which are unique to the operation of gaming and not common to ordinary Band governmental operations (such as accounting or legal services); the term includes, but is not limited to:
- 4.1.1 Management contracts.
 - 4.1.2 Management consultation services regarding the administration, supervision, or training of one or more functions related to gaming management or operations.
 - 4.1.3 Contract security services.
 - 4.1.4 Prize payout agreements or annuity contracts.
 - 4.1.5 Procurement (including lease) of materials, supplies, equipment, or services involving marketing, maintenance, or repair of gaming-related equipment, tickets and other gaming supplies or materials, the receiving or recording of a player's gaming selections or wagers, and the determination of winners.
- 4.2 Vendors for gaming-related contracts with a value of \$3,000 or more annually must have a business license issued pursuant to this Section by the Reservation Business Committee in order to transact business with a gaming enterprise. Contracts for professional legal and accounting services are excluded from this requirement.
- 4.3 A video gaming device manufacturer/distributor must have a video gaming device manufacturer/distributor license issued pursuant to this Section by the Reservation Business Committee in order to distribute video gaming devices to a gaming enterprise.
- 4.4 Applications. The following rules apply to applications for business licenses and video gaming device manufacturer/distributor licenses required under this Section:
- 4.4.1 In order to obtain a license, an Applicant must complete the required applications identified in Section 4.4.2 below, and may be required to submit to background checks of itself and, if a business entity, its principals. Principals of a business include its officers, directors, managers, owners, partners, governors, non-institutional stockholders that either own 10% or more of the shares or are the ten (10) largest stockholders, and the on-site supervisor or manager as designated by the Band, if applicable.

- 4.4.2 Applicants for licenses must submit a business license application and, when applicable, a video gaming device manufacturer/distributor license application. Through that process, the applicant must provide the following:
- 4.4.2.1 The name of the business, its business address, business phone, federal tax ID Number (or SSN if a sole proprietorship), its main office address if different from business address, any other names used by the business, and the type of service(s) the Applicant will provide;
 - 4.4.2.2 A statement whether the Applicant is a partnership, corporation, limited liability company, sole proprietorship, or other entity;
 - 4.4.2.3 If the Applicant is a corporation, the State of its incorporation, and a certified copy of its articles of incorporation, partnership agreement, or other organizational documents which describe the formation and existence of the business;
 - 4.4.2.4 Its trade name(s), other name(s) ever used, and the names of any wholly owned subsidiaries or other businesses owned by the Applicant or its principals;
 - 4.4.2.5 A general description of the business and its activities;
 - 4.4.2.6 A statement whether the Applicant has ever had a license related to gaming revoked for any reason, and if so, the jurisdiction and a description of the circumstances involved; and
 - 4.4.2.7 Any further information that the Reservation Business Committee deems relevant.
- 4.4.3 The following notice shall be placed on the application form for a license required under this Section:
- “Inclusion of false or misleading information on this application may be grounds for denial or revocation of the license.”
- 4.4.4 Each application shall be accompanied by a non-refundable application fee of \$50.00. The Band may charge additional license fees, to be established by the Reservation Business Committee, to cover its expenses in investigating and licensing under this section.

4.5 Background Investigations. A background investigation may be conducted for any applicant for license required under this Section. The following rules apply to background checks for business licenses and video gaming device manufacturer/distributor licenses required under this Section:

4.5.1 Vendors and Manufacturers/Distributors Licensed in Certain States. If an applicant for business license or video gaming device manufacturer/distributor license required under this Section holds a valid license as a manufacturer or distributor in any of the States of Minnesota, New Jersey, Nevada and South Dakota, the background check may be completed as follows:

4.5.1.1 An entity or person seeking a license shall submit evidence to the Band of all jurisdictions within which it is incorporated licensed, certified or holds a permit.

4.5.1.2 In the event that any jurisdiction suspends, revokes, or refuses to renew a license of an entity certified by the Band, the Band shall accept that jurisdiction's determination and shall require the suspension, revocation, or non-renewal of the license issued by the Band.

4.5.2 In the event that the background check is not completed in accordance with Section 4.5.1 or additional investigation is deemed necessary, the following steps shall be taken:

4.5.2.1 verification of the applicant's business organization status and verification of its eligibility to do business in the State of Minnesota;

4.5.2.2 verification of the information contained on the vendor application, including in particular if the vendor has ever had a license suspended, conditioned, or revoked for any reason;

4.5.2.3 a criminal history check of the vendor and its principals; and

4.5.2.4 a check of the credit history for the vendor and its principals.

4.5.2.5 In completing this investigation, the Band may rely upon information obtained through other state or tribal regulatory or licensing agencies.

4.5.3 A complete investigative report covering each of the steps taken in a background investigation of a vendor applicant and its principals may be completed and presented to the Reservation Business Committee prior to its consideration of the vendor license application.

4.6 Licensing Decisions. If an applicant submits a complete application, is determined to be suitable through the background check process, and satisfies the standards for a business license contained in the Fond du Lac Business License Ordinance, the Reservation Business Committee shall issue a business license and, if applicable, a video gaming device manufacturer/distributor license

4.7 Criminal History Investigation of Employees of Gaming Vendors.

4.7.1 Each employee performing on-site services under a gaming-related contract shall be required to complete a "Gaming Vendor Employee Background Information and Consent", which shall provide sufficient information to enable the Band to conduct a personal criminal history investigation on such employee prior to the employee's access to any proprietary portion of the Band's gaming operations. In completing this investigation, the Band may rely upon information obtained from the vendor and from other state or tribal regulatory or licensing agencies. Upon the satisfactory completion of the criminal history check, the Band may issue a site-specific work permit to the employee. Site-specific work permits expire after one year.

4.7.2 The Band shall not permit a gaming related contractor to employ any person in the course of performance under the contract, if that person:

4.7.2.1 Has been convicted of, or entered a plea of guilty or no contest to, any of the following, unless the person has been pardoned:

4.7.2.1.1 A felony, gross misdemeanor, or theft offense during the immediately preceding five (5) years, except for gross misdemeanor DWI/DUI offenses.

4.7.2.1.2 Any gambling-related offense.

4.7.2.1.3 Fraud or misrepresentation in any connection.

4.7.2.2 Has a pending and open charge for any felony, gross misdemeanor, or theft offense during the immediately preceding five (5) years, except for gross misdemeanor DWI/DUI offenses; any gambling-related offense; or a crime involving fraud or misrepresentation in any connection, except for misdemeanor offenses involving dishonored checks.

4.7.2.3 Has an outstanding arrest warrant.

4.7.2.4 Has been determined by the Band to be a person whose prior activities, criminal record if any, or reputation, habits, and associations pose a threat to the public interest or to the effective regulation and control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, or activities in the operation of gaming or the carrying on of the business and financial arrangements incidental thereto.

4.8 Licensing Hearings. Except as otherwise provided by Band law or regulations, any person aggrieved by a licensing decision of the Reservation Business Committee may request a hearing by submitting a written request to the Reservation Business Committee.

4.8.1 Timing of Request. A hearing must be requested within five (5) days of the date of the final licensing decision or the hearing is deemed waived. A hearing request must be accompanied by a complete explanation of why the person disagrees with the decision of the Reservation Business Committee.

4.8.2 Hearing Procedures.

4.8.2.1 The hearing will be conducted by an independent hearing officer appointed by the Reservation Business Committee for that purpose. The hearing officer will notify the licensee of the date, time and location of the hearing, which shall not be more than thirty (30) days from the date the hearing request was received by the Reservation Business Committee.

4.8.2.2 At the hearing, both parties may, but need not, be represented by legal counsel. The hearing officer shall receive all evidence he/she deems relevant, including, but not limited to, the results of any background investigation conducted on the person.

4.8.2.3 Within ten (10) days of the close of the hearing, the hearing officer shall issue a written decision, which includes findings of fact, and conclusions of law. The decision of the hearing officer is final and is not appealable.

4.8.2.4 A person who requests but fails to appear at a hearing shall be in default, and the right to a hearing shall be deemed waived.

SECTION 5. MANAGEMENT CONTRACTS

- 5.1 Subject to the Indian Gaming Regulatory Act, 25 USC § 2701 et. seq. and these Regulations, the Band may enter into a management contract for the operation and management of the Band's gaming enterprise. Before approving any management contract, after the effective date of these Regulations, the Band shall require that such contracts contain the provisions required by 25 C.F.R. Part 531, and shall supply to the Chairman of the National Indian Gaming Commission the information required by 25 C.F.R. Part 533, shall require that the management contract not be effective unless approved by Chairman of the National Indian Gaming Commission. The proposed contractor shall submit the following information to the Band prior to its approval of the proposed contract:
- 5.1.1 The name, address, and other additional pertinent background information on each person or entity (including individuals comprising such entity) having a direct financial interest in, or management responsibility for, such contract, and, in the case of a corporation, those individuals who serve on the board of directors of such corporation and each of its stockholders who hold (directly or indirectly) ten percent (10%) or more of its issued and outstanding stock;
 - 5.1.2 A description of any previous experience that each person listed pursuant to paragraph 1. has had with other gaming contracts with Indian Communities or with the gaming industry generally, including specifically the name and address of any licensing or regulatory agency which has issued the person a license or permit relating to gaming or with which such person has had a contract relating to gaming;
 - 5.1.3 A complete financial statement of each person listed pursuant to paragraph 5.1.1.; and
- 5.2 Any person listed pursuant to subsection 5.1.1 shall be required to respond under oath to such written or oral questions that the Band or the Indian Gaming Regulatory Commission may propound.
- 5.3 Each management contract entered into by the Band shall provide:
- 5.3.1 For adequate accounting procedures that are maintained, and for verifiable financial reports that are prepared, by or for the Band's governing body on a monthly basis;
 - 5.3.2 For access to the daily operations of the gaming activities to appropriate officials of the Band, the Indian Gaming Regulatory Commission, and the Minnesota Department of Public Safety;

- 5.3.3 For a minimum guaranteed payment to the Band, that has preference over the retirement of development and construction costs;
 - 5.3.4 For an agreed ceiling for the repayment of development and construction costs;
 - 5.3.5 For a contract term not to exceed five (5) years, except that the Band may approve a contract term that exceeds five (5) years but does not exceed seven (7) years if, the Band is satisfied that the capital investment required, and the income projections, for the particular gaming activity require the additional time;
 - 5.3.6. For a complete, detailed specification of all compensation to the Contractor under the contract; and
 - 5.3.7 For grounds and mechanisms for terminating such contract, including summary termination upon revocation of the management contractor's Certificate.
- 5.6 The Band may approve a management contract providing for a fee based upon a percentage of the net revenues of a Band gaming activity, which shall not exceed three percent (3%), unless the Band, determines that the capital investment required, and income projections, for such gaming activity, require an additional fee, which in no event shall exceed eight percent (8%) of net revenues of such gaming activity. A contract providing for a fee based upon a percentage of net revenues shall include a provision describing in detail how net revenues will be determined.

SECTION 6. EMPLOYEE GAMING LICENSES

6.1 Employee Gaming Licenses Required. No person may be employed by the Band in the operation or conduct of Class II or Class III gaming unless the person has a gaming license issued under this Section. The Reservation Business Committee officials and the Fond du Lac Management, Inc. Board of Directors are not subject to the licensing requirements in this Section.

6.2 Class A Gaming Licenses.

6.2.1 When Required. No person shall be employed by the Band as a Primary Management Official or a Key Employee unless the person has received from the Band a provisional or permanent Class A Gaming License. The following positions require a provisional or permanent Class A Gaming License:

6.2.1.1 The executive director for tribal enterprises;

6.2.1.2 Any general manager or assistant general manager position;

6.2.1.3 Any operations director, marketing director, or gaming director position;

6.2.1.4 Any accounting position;

6.2.1.5 Any cashier or vault position;

6.2.1.6 Any blackjack or table games position;

6.2.1.7 Any slot position;

6.2.1.8 Any bingo or pulltabs position;

6.2.1.9 Any marketing position;

6.2.1.10 Any internal auditing position;

6.2.1.11 Any surveillance position;

6.2.1.12 Any Bank Secrecy Act position;

6.2.1.13 Any security position;

6.2.1.14 Any purchasing position;

6.2.1.15 Any inventory position; and

6.2.1.16 Any other position that meets the definition of “primary management official” or “key employee” contained in Section 215 and 219 of the Band’s Gaming Ordinance, Fond du Lac Ordinance #09/93.

6.2.2 Background Standards for Applicants. An applicant shall be ineligible for a Class A Gaming License if the applicant:

6.2.2.1 Has been convicted of or has entered a plea of guilty or no contest to any of the following, unless the person has been pardoned or the Reservation Business Committee Reservation determines that the applicant or employee has demonstrated sufficient evidence of rehabilitation and present fitness:

6.2.2.1.1 A felony, gross misdemeanor, or theft offense during the immediately preceding five (5) years, except for gross misdemeanor DWI/DUI offenses.

6.2.2.1.2 Any gambling-related offense.

6.2.2.1.3 Fraud or misrepresentation in any connection, except for misdemeanor offenses involving dishonored checks.

6.2.2.2 Has a pending and open charge for any felony, gross misdemeanor, or theft offense during the immediately preceding five (5) years, except for gross misdemeanor DWI/DUI offenses; any gambling-related offense; or a crime involving fraud or misrepresentation in any connection, except for misdemeanor offenses involving dishonored checks.

6.2.2.3 Has an outstanding arrest warrant.

6.2.2.4 Has been determined by the Band to be a person whose prior activities, criminal record if any, or reputation, habits, and associations pose a threat to the public interest or to the effective regulation and control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, or activities in the operation of gaming or the carrying on of the business and financial arrangements incidental thereto.

6.2.2.4.1 If the Employee Compliance Department finds that an applicant:

- a. Has been charged with, convicted of, or has entered a plea of guilty or no contest to any sex offense; or
- b. Has been adjudicated delinquent as a minor, or has had an equivalent determination made, for any felony, gross misdemeanor, or theft offense during the immediately preceding five (5) years, except for gross misdemeanor DWI/DUI offenses; any gambling-related offense; or an offense involving fraud or misrepresentation in any connection, except for misdemeanor offenses involving dishonored checks;

then the Employee Compliance Department shall present the application to the Reservation Business Committee for review under the standards contained in Section 6.2.2.4.

6.2.3 Application Form. Each person seeking a Class A License from the Band shall complete the application form appearing at Appendix A of these Regulations.

6.2.4 Fingerprints. Fingerprints shall be obtained from each applicant for a Class A Gaming License by the Employee Compliance Department. Fingerprints shall be submitted to the NIGC. The fingerprints will be forwarded for processing through the Federal Bureau of Investigation and the National Criminal Information Center to determine the applicant's criminal history, if any.

6.2.5 Background Investigation. The Employee Compliance Department shall conduct a background investigation on each applicant for a Class A Gaming License sufficient to allow an eligibility determination to be made under this ordinance. The investigation shall:

- 6.2.5.1 Verify the applicant's identity through items such as a social security card, driver's license, birth certificate or passport;
- 6.2.5.2 Contact each personal and business reference provided in the license application, when possible;
- 6.2.5.3 Obtain a personal credit check;

- 6.2.5.4 Conduct a civil history check;
 - 6.2.5.5 Conduct a criminal history check by submitting the applicant's fingerprints to the State of Minnesota or the NIGC for forwarding to the FBI to perform a criminal history records check using the NCIC data base, and by submitting a request to the State of Minnesota that a background investigation be performed on the applicant, in accordance with an agreement between the State of Minnesota and the Band;
 - 6.2.5.6 Based on the results of the criminal history check, as well as information acquired from the applicant or from other sources, obtain information from the appropriate court regarding past felony and/or misdemeanor convictions and/or ongoing prosecutions;
 - 6.2.5.7 Inquire into any previous or existing business relationships with the gaming industry and other Indian tribes by contacting the entities or tribes;
 - 6.2.5.8 Verify the applicant's history and current status with any licensing agency by contacting the agency; and
 - 6.2.5.9 Take other appropriate steps to verify the accuracy of the information, focusing on problem areas noted.
- 6.2.6 Documentation. Documentation shall be created and maintained for each background investigation for a Class A Gaming License.
- 6.2.6.1 The documentation shall include a notice of results, an investigative report, a suitability determination, and an official letter from the NIGC.
 - 6.2.6.2 Investigative reports shall include all of the following information:
 - 6.2.6.2.1 steps taken in conducting the investigation;
 - 6.2.6.2.2 results obtained;
 - 6.2.6.2.3 conclusions reached; and
 - 6.2.6.2.4 the basis for the conclusions.

6.2.6.3 The Reservation Business Committee and its investigator(s) shall promise to keep confidential the identity of each person interviewed in the course of the investigation, other than disclosure as required under Federal, Tribal, or applicable State law.

6.3 [Reserved]

6.4 Class C Gaming Licenses.

6.4.1 When Required. No person shall be employed at the Band's gaming operation in a position requiring a Class C Gaming License unless the person has received from the Band a Class C Gaming License.

6.4.1.1 A Class C Gaming License is required for (1) all employees involved in the operation or conduct of Class II or Class III gaming who are not required to have a Class A Gaming License and (2) all employees who are not directly involved in the conduct of the gaming operation, such as those employees who serve as janitors, food service workers, maintenance workers, groundskeepers, whose duties do not involve substantial contact with customers or Class A employees on the gaming floor.

6.4.2 Background Standards for Applicants. An applicant shall be ineligible for a Class C Gaming License if the applicant:

6.4.2.1 Has a pending and open charge for any felony, gross misdemeanor, or theft offense during the immediately preceding five (5) years, except for gross misdemeanor DWI/DUI offenses; any gambling-related offense; or a crime involving fraud or misrepresentation in any connection except for misdemeanor offenses involving dishonored checks.

6.2.2.3 Has an outstanding arrest warrant.

6.4.2.3 Has been determined by the Band to be a person whose prior activities, criminal record if any, or reputation, habits, and associations pose a threat to the public interest or to the effective regulation and control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, or activities in the operation of gaming or the carrying on of the business and financial arrangements incidental thereto.

6.4.2.3.1 If the Employee Compliance Department finds that an applicant has:

- a. Has been charged, convicted of, or has entered a plea of guilty or no contest to any sex offense;
- b. Has been adjudicated delinquent as a minor, or has had an equivalent determination made, for any felony, gross misdemeanor, or theft offense during the immediately preceding five (5) years, except for gross misdemeanor DWI/DUI offenses; any gambling-related offense; or an offense involving fraud or misrepresentation in any connection, except for misdemeanor offenses involving dishonored checks; or
- c. Has been convicted of or has entered a plea of guilty or no contest any felony, gross misdemeanor, or theft offense during the immediately preceding five (5) years, except for gross misdemeanor DWI/DUI offenses; any gambling-related offense; or a crime involving fraud or misrepresentation in any connection, except for misdemeanor offenses involving dishonored checks;

then the Employee Compliance Department shall present the application to the Reservation Business Committee for review under the standards contained in Section 6.2.2.4.

- 6.4.3 Application Form. Each person seeking a Class C License from the Band shall complete the application form appearing at Appendix A of these Regulations.
- 6.4.4 Fingerprints. Fingerprints are not required for a Class C Gaming License application.
- 6.4.5 Background Investigation. The Employee Compliance Department shall conduct a background investigation on each applicant for a Class C Gaming License sufficient to allow an eligibility determination to be made under this ordinance. The investigation shall:
 - 6.4.5.1 Verify the applicant's identity through items such as a social security card, driver's license, birth certificate or passport;

- 6.2.5.2 Conduct a civil history check;
- 6.2.5.3 Conduct a criminal history check using public records;
- 6.2.5.4 Based on the results of the criminal history check, as well as information acquired from the applicant or from other sources, obtain information from the appropriate court regarding past felony and/or misdemeanor convictions and/or ongoing prosecutions;
- 6.2.5.9 Take other appropriate steps to verify the accuracy of the information, focusing on problem areas noted.

6.4.6 Documentation. Documentation shall be created and maintained for each background investigation for a Class C Gaming License.

- 6.4.6.1 The documentation shall include local background check results.
- 6.4.6.2 Investigative reports shall include all of the following information:
 - 6.4.6.2.1 steps taken in conducting the investigation;
 - 6.4.6.2.2 results obtained;
 - 6.4.6.2.3 conclusions reached; and
 - 6.4.6.2.4 the basis for the conclusions.
- 6.4.6.3 The Reservation Business Committee and its investigator(s) shall promise to keep confidential the identity of each person interviewed in the course of the investigation, other than disclosure as required under Federal, Tribal, or applicable State law.

6.5 Background Check Eligibility Determinations.

- 6.5.1. Eligibility determinations shall in the first instance be made by the Employee Compliance Department, which is hereby authorized to make such determinations. The Employee Compliance Department shall review the applicant's prior activities, criminal record, if any, and reputation, habits and associations to make a finding concerning whether the employee meets the background standards contained in Section 6.2.2 or Section 6.4.2 for receipt of a license and employment in the Gaming

Operation. If the Employee Compliance Department determines that licensing is appropriate under the standards of this Ordinance, a license may be issued pursuant to Section 6.6.

6.5.2 If the Employee Compliance Department finds that the applicant does not meet the background standards contained in Section 6.2.2.1, the applicant or employee will have the opportunity to submit a petition to demonstrate to the Reservation Business Committee evidence of sufficient rehabilitation and present fitness.

6.5.2.1 The individual applicant seeking a waiver shall petition the Reservation Business Committee and within said petition provide information which would demonstrate rehabilitation and present fitness. This information shall include but is not limited to: (i) Charging Documents; (ii) Pre-Sentence reports; (iii) Probation or Parole reports including any and all conditions established by the court; (iv) Detailed employment history with references; (v) Financial statements including credit report; (vi) Character references.

6.5.2.2 The Reservation Business Committee, upon receipt of the Petition, including the information describing the petitioners rehabilitation and present fitness, shall make its determination based upon the papers as submitted.

6.5.2.3 The review of such Petitions by the Reservation Business Committee is discretionary. If Reservation Business Committee determines that the applicant or employee has demonstrated sufficient evidence of rehabilitation and present fitness, the Reservation Business Committee shall waive such license restriction by resolution and, if appropriate under the standards of this Ordinance, a license may be issued pursuant to Section 6.6. The decision of the Reservation Business Committee shall be final.

6.5.2.4 A waiver granted by the Reservation Business Committee under this section shall extend to future licensure of the applicant for the class of license applied for, but shall be immediately invalidated if the applicant has failed to disclose prohibitive convictions which existed prior to the waiver, or if the applicant is subject to subsequent prohibitive conduct.

6.5.3 If the Employee Compliance Department finds that the applicant does not meet the background standards contained in Section 6.2.2.4 or Section

6.4.2.3, the Employee Compliance Department shall forward its determination to the Reservation Business Committee for approval.

6.6 Licensing Decisions.

6.6.1 The Reservation Business Committee, through its Employee Compliance Department, is responsible for granting and issuing Class A and Class C Gaming licenses.

6.6.2 The Reservation Business Committee and its Employee Compliance Department shall not issue a gaming license if the applicant:

6.6.2.1 does not meet the background check standards as determined through Section 6.5; or

6.6.2.2 has made a materially false statement in an application to the Reservation Business Committee or in any verbal or written statement submitted to the Reservation Business Committee.

6.6.3 Notice to the NIGC.

6.6.3.1 If the Reservation Business Committee, through its Employee Compliance Department, determines that the applicant is eligible for a Class A gaming license, the Reservation Business Committee, through its Employee Compliance Department, shall issue a provisional Class A gaming license, which shall be valid pending notification to the NIGC and a determination on a permanent Class A gaming license.

6.6.3.2 Before issuing a license to a permanent Class A gaming license, the Reservation Business Committee, through its Employee Compliance Department, shall prepare or cause to be prepared a Notice of Results of the Applicant's background investigation to submit to the NIGC.

6.6.3.3 The notice of results must be submitted to the NIGC no later than sixty (60) days after the applicant begins working for the Gaming Operation and the Gaming Operation shall not employ a person in a position requiring a Class A Gaming License if the person does not have a permanent Class A Gaming License within ninety 90 days of the submission of the application.

6.6.3.4 The Notice of Results shall include the following information:

- 6.6.3.4.1 The Applicant's name, date of birth and social security number;
- 6.6.3.4.2 The date on which the Applicant began, or will begin, working in a position requiring a Class A Gaming License;
- 6.6.3.4.3 A summary of the information presented in the investigative report, including:
 - 6.6.3.4.3.1 licenses that have been previously denied;
 - 6.6.3.4.3.1 gaming licenses that have been revoked, even if subsequently reinstated;
 - 6.6.3.4.3.2 every known criminal charge brought against the Applicant within the last ten (10) years of the date of the application; and
 - 6.6.3.4.3 every felony offense of which the Applicant has been convicted or any ongoing prosecution.
 - 6.6.3.4.4 A copy of the eligibility determination made in accordance with Section 6.5 above.
- 6.6.3.4 The Reservation Business Committee, through its Employee Compliance Department, may issue a permanent Class A gaming license to an applicant only after submitting a Notice of Results to the NIGC as required by Section 6.6.3.2 above.
- 6.6.3.5 The Reservation Business Committee, through its Employee Compliance Department, shall notify the NIGC of the issuance of a license to a permanent Class A gaming license within thirty (30) days of issuance.
- 6.6.3.6 The Reservation Business Committee, through its Employee Compliance Department, shall respond to a request for additional information from the Chairman of the NIGC concerning an applicant for a Class A gaming license. Such a request shall suspend the 30-day period under Section 6.6.3.8

below until the Chairman of the National Indian Gaming Commission receives the additional information.

- 6.6.3.7 No person may be employed in a position requiring a Class A gaming license if a permanent Class A gaming license is not issued within ninety (90) days of employment at a Gaming Operation.
- 6.6.3.8 The Reservation Business Committee must reconsider a license application for a Class A gaming license if it receives a statement of itemized objections to the issuance of such license from the NIGC, provided the objections are received within thirty (30) days of the date the NIGC receives the Notice of Results for the Applicant. The Reservation Business Committee may reconsider a license application for a Class A gaming license if a statement of itemized objections to the issuance of a license is received more than thirty (30) days from the NIGC's receipt of the Notice of Results for the Applicant. In either case, the Reservation Business Committee must take the objections of the NIGC into consideration when reconsidering a license application. The Reservation Business Committee shall make the final decision whether to issue a license to such applicant.
- 6.6.3.9 If the Reservation Business Committee, through its Employee Compliance Department, has issued a provisional or permanent Class A gaming license before receiving a statement of objections from the NIGC, the Reservation Business Committee, through its Employee Compliance Department, may suspend or revoke the license after providing notice and an opportunity for a hearing.
- 6.6.3.10 If the Reservation Business Committee denies a Class A gaming license, the Reservation Business Committee shall:
 - 6.6.3.10.1 Notify the NIGC; and
 - 6.6.3.10.2 Forward a copy of the eligibility determination and Notice of Results to the NIGC for inclusion in the Indian Gaming Individuals Record System.

6.7 Suspension or Revocation of a Gaming License.

- 6.7.1 Persons subject to this section shall be reviewed annually to determine whether they continue to meet the requirements and limitations of this section.

- 6.7.2 The Reservation Business Committee, through its Employee Compliance Department, may suspend, revoke or condition a gaming license if it determines that the employee:
- 6.7.2.1 is no longer eligible for a license under the standards contained in these regulations;
 - 6.7.2.2 has violated a federal, state or tribal law related to gaming, or has failed to comply with a validly issued order of the Reservation Business Committee;
 - 6.7.2.3 has made a materially false or misleading statement in a license application or in any verbal or written submission to the Reservation Business Committee; or
 - 6.7.2.4 has falsified any books, records or materials relating to any transaction connected with the operation of the Gaming Enterprise.
- 6.7.3 The Reservation Business Committee shall suspend and may revoke a Class A gaming license if the Reservation Business Committee receives a timely statement of objections or other notice from the NIGC that the employee is not eligible for a Class A gaming license. The Reservation Business Committee shall:
- 6.7.3.1 immediately suspend the license;
 - 6.7.3.2 provide written notice of the suspension and the proposed revocation to the licensee;
 - 6.7.3.3 provide the licensee with written notice of his or her right to request a hearing; and
 - 6.7.3.4 after consideration of the NIGC objections to the issuance of the license as well as any information received at a hearing, if timely requested, make a final written determination to revoke or reinstate the license and provide written notice of its final decision to the licensee and the NIGC within 45 days of receipt of objections to the license from the NIGC.
- 6.7.4 Background Standards for Current Licensees.
- 6.7.4.1 Warrants. The gaming license of any current licensee who has an outstanding arrest warrant shall be immediately suspended, and such licensee shall be notified of such suspension and shall

be notified that he or she has thirty (30) days to remove or quash the warrant and that if, after thirty (30) days, such conditions are not removed from the individual's record, his or gaming license will be revoked.

6.7.4.2 Pending Charges for Class A Licensees. If a Class A Gaming License licensee is charged with any felony, gross misdemeanor, or theft offense during the immediately preceding five (5) years, except for gross misdemeanor DWI/DUI offenses; any gambling-related offense; or a crime involving fraud or misrepresentation in any connection, the licensee's gaming license shall be suspended. If the licensee is cleared of the charges within ninety (90) days, the gaming license shall be reinstated. If the licensee is convicted of or has entered a plea of guilty or no contest to the charges within ninety (90) days, the matter shall be handled in accordance with Section 6.7.4.3. If the employee remains suspended for a period longer than ninety (90) days, the gaming license shall be revoked and the employee shall be discharged.

6.7.4.3 Convictions for Class A Licensees. If a Class A Gaming License licensee is convicted of or has entered a plea of guilty or no contest to any felony, gross misdemeanor, or theft offense during the immediately preceding five (5) years, except for gross misdemeanor DWI/DUI offenses; any gambling-related offense; or a crime involving fraud or misrepresentation in any connection, the gaming license shall be revoked and the employee shall be discharged, unless the Reservation Business Committee grants a petition in accordance with Section 6.5.2 within the 90-day period described in Section 6.7.4.2.

6.7.4.4 General Character Standards. Any gaming license shall be revoked if the licensee has been determined by the Band to be a person whose prior activities, criminal record if any, or reputation, habits, and associations pose a threat to the public interest or to the effective regulation and control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, or activities in the operation of gaming or the carrying on of the business and financial arrangements incidental thereto.

6.7.4.4.1 If the Employee Compliance Department finds that a licensee has:

- a. Has been charged, convicted of, or has entered a plea of guilty or no contest to any sex offense;
- b. Has been adjudicated delinquent as a minor, or has had an equivalent determination made, for any felony, gross misdemeanor, or theft offense during the immediately preceding five (5) years, except for gross misdemeanor DWI/DUI offenses; any gambling-related offense; or an offense involving fraud or misrepresentation in any connection, except for misdemeanor offenses involving dishonored checks; or
- c. In the case of Class C licensees only, has been convicted of or has entered a plea of guilty or no contest any felony, gross misdemeanor, or theft offense during the immediately preceding five (5) years, except for gross misdemeanor DWI/DUI offenses; any gambling-related offense; or a crime involving fraud or misrepresentation in any connection, except for misdemeanor offenses involving dishonored checks;

then the Employee Compliance Department shall present the application to the Reservation Business Committee for review under the standards contained in Section 6.7.4.4.

6.8 Licensing Hearings.

- 6.8.1 The hearing will be conducted by an independent hearing officer appointed by the Reservation Business Committee for that purpose. The hearing officer will notify the licensee of the date, time and location of the hearing, which shall not be more than thirty (30) days from the date the hearing request was received by the Reservation Business Committee.
- 6.8.2 At the hearing, both parties may, but need not, be represented by legal counsel. The hearing officer shall receive all evidence he/she deems relevant, including, but not limited to, the results of any background investigation conducted on the person.

- 6.8.3 Within ten (10) days of the close of the hearing, the hearing officer shall issue a written decision, which includes findings of fact, and conclusions of law. The decision of the hearing officer is final and is not appealable.
- 6.8.4 A person who requests but fails to appear at a hearing shall be in default, and the right to a hearing shall be deemed waived.
- 6.9 Temporary Licenses. An employee who is currently licensed but has lost or misplaced his or her license may receive a temporary employment license by the Band through a supervisor or investigator in surveillance as follows:
- 6.9.1 If the Gaming Employment Licensing Office is open on the following calendar day, the term of the license shall not exceed one day.
- 6.9.2 If the Gaming Employment Licensing Office is not open on the following calendar day, the term of the license shall not exceed the number of days until the next calendar day that the Gaming Employment Licensing Office is open.
- 6.9.3 An employee shall be charged a fee for a temporary license. The Reservation Business Committee shall approve the fees to be charged for temporary licenses.
- 6.9.4 An employee shall obtain a replacement license from the Gaming Employment Licensing Office at his or her own expense on the first day that the Gaming Employment Licensing Office is open following the loss or misplacement of the employee's regular license.
- 6.9.5 Immediately upon issuing a temporary license, the access code number of the employee's lost license shall be removed from the casino's electronic security system.
- 6.10 Display of License. Each employee is required to display his or her gaming employment license in plain view. The license must be (1) clipped in a stationary manner to the upper torso on the outside of the employee's uniform or (2) carried on a lanyard or extendable clip on the outside of the employee's uniform. No part of the license shall be altered or obstructed from view.
- 6.11 Records. The Band shall retain for a period of at least five (5) years, all records relating to such investigations and determinations.
- 6.12 Costs. The Employee Compliance Department shall reimburse the NIGC and the Minnesota Department of Public Safety for the Department's actual costs of compiling criminal history data released to the Band.

SECTION 7. RECORDS

- 7.1 The Band shall also maintain, and the State of Minnesota shall have the right to inspect and copy, at costs to the State, the following records related to Class III gaming for at least five (5) years after the record is created:
- 7.1.1 All accounting records, which shall be kept on a double entry system of accounting, including detailed, supporting, and subsidiary records.
 - 7.1.2 Revenues, expenses, assets, liabilities, and equity by game at each location where any component of Class III gaming is conducted.
 - 7.1.3 Daily cash transactions for each game at each operation at which any component of Class III gaming is conducted, including but not limited to transactions relating to each gaming table bank, game drop box and gaming room bank.
 - 7.1.4 For electronic games of chance, analytic reports which, by each machine, compare actual hold percentages to theoretical hold percentages.
 - 7.1.5 Contracts, correspondence, and other transaction documents relating to all vendors and contractors.
 - 7.1.6 Records of all Band enforcement activities relating to gaming operated under these regulations.
 - 7.1.7 All audits prepared by or on behalf of the Band for its Class III activities.
 - 7.1.8 Personnel information on all Class III gaming employees or agents, including complete sets of each employee's fingerprints, employee photographs, and employee profiles and background investigations, except that employee work schedules shall be maintained for a period of at least two (2) years. This provision shall not include personnel records of tribal members as to matters that are not related to gaming.
 - 7.1.9 Records of background investigations and determinations under section 6 of these regulations.
- 7.2 Confidentiality of Band gaming records.
- 7.2.1 No Band records or documents submitted to the State, or of which the State has retained copies in the course of its gaming oversight and enforcement, will be disclosed to any member of the public except as needed in a judicial proceeding to interpret or enforce the terms of these regulations.

SECTION 8. CONFLICTS OF INTEREST PROHIBITED

- 8.1 No person employed by the Band in the conduct of gaming under these regulations may have a direct or indirect interest in, or be employed by, any person who has entered a gaming-related contract with the Band.
- 8.2 Employee Gaming. The following rules apply to gaming by casino employees:
- 8.2.1 RBC members, executive directors, casino general managers, and regulatory staff (Employee Compliance, Surveillance, Internal Audit, Bank Secrecy Act, and Legal) are not allowed to gamble at any Band casino.
- 8.2.2 Accounting and Revenue Audit staff may not gamble at the Fond du Lac casino in which they are employed and may gamble at the Fond du Lac Band casino in which they are not employed.
- 8.2.3 All other employees of a Fond du Lac Band casino may gamble (1) at the Fond du Lac Band casino in which they are not employed and (2) at the Fond du Lac Band casino in which they are employed but in a department in which they are not employed. For example, a slot employee at the Black Bear Casino Resort may play slots or blackjack at the Fond-du-Luth casino and may play blackjack or bingo at the Black Bear Casino Resort.
- 8.2.4 Employees must be off duty, out of uniform, and not wearing a gaming license to gamble. Employees may not gamble during a break.
- 8.2.6 An employee of a Fond du Lac Band casino who is authorized to gamble may participate in the Players Club, including drawings.

SECTION 9. AUDITS

- 9.1 Financial Audit. At the close of each fiscal year, the Band shall engage one or more independent certified public accountants to audit the books and records of all gaming operations conducted under these regulations. The audit shall be completed within one hundred twenty (120) days after the close of the fiscal year.
- 9.1.1 Class II Audit. Upon completion of the audit the Band shall forward copies of any audit reports and management letters pertaining to its Class II activities to the NIGC.
- 9.1.2 Class III Audit. Upon written request the Band shall forward copies of the audit of blackjack and video activities and all current internal accounting and audit procedures to the State of Minnesota Department of Public Safety. The Band shall permit the State to consult with the auditors before and after any audits or periodic checks on procedures which may be conducted by the auditors, and shall allow the State to submit written or oral comments or suggestions for improvements regarding the accounting and audit procedures. Within 30 days of the receipt of any written or oral comments, the Band shall: (i) accept the comments and modify the procedures accordingly; or (ii) respond to the comments with counterproposals or amendments. The state shall pay for any additional work performed by the auditors at the request of the State.
- 9.2. MICS/Security Report. , On an annual basis, the Band shall engage a qualified independent auditor to conduct an agreed upon procedures review of the Band's MICS and security. The review and report shall be completed within one hundred twenty (120) days after the close of the fiscal year.
- 9.2.1 The agreed upon procedures shall evaluate the effectiveness, adequacy, and enforcement of at least the following:
- 9.2.1.1 Compliance with Fond du Lac Ordinance #06/99, Minimum Internal Control Standards.
- 9.2.1.2 Physical systems and administrative policies and procedures controlling access to non-public offices, warehouses, and computer rooms relating to the conduct of gaming.
- 9.2.1.3 Physical systems and administrative policies and procedures for handling cash and for redemption of winning tickets or credit statements issued by electronic games of chance from their receipt by the Band to payment of the player, including procedures for receiving and routing incoming prize claims.

9.2.1.4 Policies, procedures, and practices to prevent theft, loss, or destruction of materials, equipment, or supplies associated with any of the games authorized by these regulations.

9.2.1.5 Policies, procedures, and practices to ensure the randomness, accuracy, integrity, and reliability of games operated pursuant to these regulations.

9.2.1.6 Fitness and integrity of computer software utilized for financial accounting and conduct of gaming under these regulations.

9.2.2 Class II Audit. Upon completion, the Band shall forward copies of any report pertaining to its Class II activities to the NIGC.

9.3 Engagement of Auditors.

9.3.1 The Band shall engage auditors experienced in auditing gaming who shall perform the audit in conformity with the most current edition of “Audit and Accounting—Gaming,” published by the American Institute of Certified Public Accountants.

SECTION 10. APPLICATION OF INTERNAL REVENUE CODE OF 1986

- 10.1 The Band shall pursuant to the provisions of the Internal Revenue Service Code of 1986 (including sections 1441, 3402(q), 6041, and 6050I, and Chapter 35 of such Code) implement the requirements of said provisions within its gaming operations concerning the reporting and withholding of taxes with respect to the customer winnings from all gaming or wagering operations.

SECTION 11. PUBLIC HEALTH AND SAFETY

- 11.1 The Band shall construct, maintain, and operate a gaming facility in a manner that adequately protects the environment and the public health and safety.
- 11.2 The Band shall engage a state certified inspector to conduct inspections of all facilities for Class II and Class III gaming on a periodic basis, but not less than annually, and shall promptly repair or correct any and all instances of non-compliance with the requirements of this section and related Band Ordinances. An inspection report shall be prepared by the inspector in connection with each inspection and copies of said reports shall be forwarded to the Band.

SECTION 12. STANDARDS FOR VIDEO GAMES OF CHANCE

- 12.1 Testing and Approval of Video Games of Chance. No video game of chance may be purchased, leased or otherwise acquired by the enterprise unless:
- 12.1.1 The video game of chance is purchased, leased, or acquired from a manufacturer or distributor licensed to sell, lease, or distribute electronic games of chance by the Band pursuant to Section 4.5 of these regulations; and
 - 12.1.2 The video game of chance, or a prototype thereof, has been tested, approved, or certified by a gaming test laboratory as meeting the requirements and standards of these regulations. For purposes of these regulations, a gaming test laboratory is a laboratory agreed to and designated in writing by the State Commissioner of Public Safety and the Band as competent and qualified to conduct scientific tests and evaluations of video games of chance and related equipment. A laboratory operated by or under contract with the states of Minnesota, or Nevada, or New Jersey, or South Dakota constitutes a designated gaming test laboratory.
- 12.2 Application for Approval of Prototype Video Game of Chance. The manufacturer shall provide to the gaming test laboratory two (2) copies of video game of chance illustrations, schematics, block diagrams, circuit analyses, technical and operation manuals, program object and source codes and hexadecimal dumps (the compiled computer program represented in base 16 format) and any other information requested by the gaming test laboratory.
- 12.3 Testing of Video Game of Chance. If required by the gaming test laboratory, the manufacturer shall transport not more than two (2) working models of the video game of chance and related equipment to a location designated by the laboratory for testing, examination, and analysis. The manufacturer shall pay for any and all costs for the transportation, testing, examination, and analysis. The testing, examination, and analysis may include the entire dismantling of the video games of chance and related equipment and some tests may result in damage or destruction to one or more electronic components of the devices. If required by the laboratory, the manufacturer shall provide specialized equipment or the services of an independent technical expert to assist with the testing, examination, and analysis.
- 12.4 Report of Test Results. At the conclusion of each test, the laboratory shall provide to the State and the Band a report that contains findings, conclusions, and a determination that the video game of chance and related equipment conforms or fails to conform to the technical requirements and standards set forth in these regulations. If modifications can be made which would bring the video game or

related equipment into compliance, the report may contain recommendations for such modifications.

- 12.5 Modifications of Approved Video Games of Chance. The manufacturer or distributor shall assemble and install all video games of chance and related equipment in a manner approved and licensed by the Band. No modification to the assembly or operational functions of any video game of chance or related equipment may be made after testing and installation unless a gaming test laboratory certifies to the State and the Band that the modified video games of chance conform to the standards of these regulations. All proposed modifications shall be described in a written request made to the State, the gaming test laboratory, and the Band, which contains information describing the modification, the reason therefor and all documentation required by the laboratory. In emergency situations where modifications are necessary to prevent cheating or malfunction, the laboratory may grant temporary certification of the modifications for up to fifteen (15) days pending compliance with this section.
- 12.6 Conformity to Technical Standards. The manufacturer or distributor shall certify, in writing, to the Band and to the State that, upon installation, each video game of chance placed in a gaming facility within the Reservation:
- 12.6.1 The video game conforms precisely to the exact specifications of the video game of chance prototype tested and approved by the gaming test laboratory; and
 - 12.6.2 The video game operates and plays in accordance with the technical standards set forth in these regulations.
- 12.7 Information to be Provided. Notwithstanding any other requirements in these regulations, prior to the installation of any video game of chance acquired by the Band the manufacturer or distributor shall provide to the State:
- 12.7.1 A list of all states in which the distributor or manufacturer from who the video games of chance were acquired or leased is licensed, the license numbers (if license numbers are issued) and operative dates of the license(s); and
 - 12.7.2 Identification numbers or codes for each video game of chance placed on the reservation.
- 12.8 Hardware Requirements for Video Games of Chance. Notwithstanding any other requirements in these regulations video games of chance operated within the reservation shall be licensed by the Band. To be licensed, each such game must meet the following specifications:

- 12.8.1 No Physical Hazard. Electrical and mechanical parts and design principals may not subject a player to any physical hazards.
- 12.8.2 Surge Protector. A surge protector must be installed for all power which is fed to the device.
- 12.8.3 Battery Back-up. A battery back-up, or an equivalent, for the electronic meters must be capable of maintaining accurate readings for one hundred eighty (180) days after power is discontinued from the device for all information regarding:
- 12.8.3.1 Current and total tallies of amounts wagered and paid out;
 - 12.8.3.2 Records of access to the logic board compartment;
 - 12.8.3.3 Records of access to the cash and coin compartment; and
 - 12.8.3.4 Such other data as may be required by these regulations.
- The back-up device shall be located within the locked logic board compartment and shall not be accessible to the manufacturer or distributor after the initial installation of the equipment.
- 12.8.4 Power Switch. A power switch must be located in an accessible place within the interior of the game which controls the electrical current used in the operation of the game.
- 12.8.5 Resistance to Electromagnetic Interference. The operation of the video game of chance, including the coin drop and other such component parts, must not be adversely affected by static discharge, radio frequency interference, or other electromagnetic interference.
- 12.8.6 Approved Coin and Bill Acceptors. At least one (1) electronic or mechanical coin acceptor must be installed in or on each electronic game of chance, with the exception of cashless gaming devices. The devices may also contain token or bill acceptors, or cashless ticket acceptor/dispensers for denominations determined by the Band. Prior to operation, all models of coin, token, or bill, and cashless ticket acceptor/dispensers installed must have been tested and approved in writing by a gaming test laboratory as provided in Section 12.
- 12.8.7 Secure Cabinets. The internal space of the video game of chance shall not be readily accessible when the door is closed and sealed.

- 12.8.8 Secure Electronic Components. Logic Boards and software Electronically Programmable Read Only Memory Chips (hereinafter EPROMS) and other logic control components shall be located in a separate compartment within the video game of chance and that compartment shall be locked with a different key or combination than that used for the main cabinet door.
- 12.8.9 Secure Cash Compartment. The coins and currency compartment shall be secured with different key or combination than that used for the main cabinet door, except that a separate cash compartment shall not be required for coins necessary to pay prizes in a machine which pays prizes through a drop hopper or a machine that accepts cashless tickets and issues cashless tickets.
- 12.8.10 No Hardware Modification of Pay Tables or Payouts. No hardware switches (DIP Switches) may be installed which alter the pay tables or payout percentages for the game.
- 12.8.11 Printed Record of Credits and Payouts Required. A single printing mechanism which must be capable of printing an original ticket and retaining an exact legible copy, either within the game or in a slot management/reporting system approved by the gaming test laboratory, that provides permanent sequential tracking, and which permits monitoring of error conditions on a printed medium for future use, and which records the following information: (a) the number of credits; (b) the value of the credits in dollars and cents (c) the cash paid by the device; and (d) any other data required by these regulations. Video games of chance utilizing coin drop hoppers and that accept cashless tickets and issue cashless tickets are permitted, provided they are monitored by a slot management/reporting system of the type described in this paragraph which has been approved by an independent gaming test laboratory.
- 12.8.11A Technical Standards for Gaming Devices that Accept Coin, Tokens, Currency, or Cashless Tickets and Issue Cashless Tickets.
- 12.8.11A.1 Cashless Gaming Devices. The following technical standards are applicable for gaming devices that accept coin, tokens, currency, cashless electronic credits, or cashless tickets and issue cashless tickets. For the purpose of this section, the term “cashless electronic credits” means electronic credits awarded by a cashless promotional system. Cashless gaming devices and the associated equipment must be tested and approved by a gaming test laboratory.
- 12.8.11A.2 Credit Redemption. Available credits may be collected from the gaming device by the player pressing the “COLLECT” button at any

time other than during: (A) A game being played; (B) Audit mode; (C) Any door open; (D) Test mode; (E) A Credit Meter or Win Meter incrementation, unless the entire amount is placed on the meters when the collect button is pressed; or (F) An error condition.

12.8.11A.3 Cancel Credit. If credits are collected, and the total credit value is greater than or equal to a specific limit (e.g. Printer Limit for printer games), the game shall lock up until the credits have been paid, and the handpay is cleared by an attendant.

12.8.11A.4 Printers. The printer shall print on a ticket and provide the data to an on-line data system that records the following information regarding each payout ticket printed. The information listed below can be obtained from the gaming device, validation terminal, the on-line data management system or other means: (A) Value of credits in U.S. currency; (B) Time of day the ticket was printed in twenty-four (24) hour format showing hours and minutes; (C) Date, in any recognized format, indicating the date, month and year; (D) Gaming device number or machine number; and (E) Unique validation number, or bar code.

The gaming device shall either keep a duplicate copy or print only one (1) copy to the player. Each gaming device shall have two dedicated logs that will record ticket histories at a minimum of: (A) thirty-five (35) tickets printed, and (B) thirty-five (35) ticket redeemed. In addition, an approved system shall be used to validate the payout ticket and the ticket information on the central system shall be retained at least as long as the ticket is valid at that location.

12.8.11A.5 Printer Location. The printer shall be located in a locked area of the gaming device (e.g. require opening of the main door access) but not in the logic area or the drop box. This requirement ensures that changing the paper does not require access to the drop (cash) or logic areas.

12.8.11A.6 Error Conditions. A printer shall have mechanisms to allow software to interpret and act upon the following conditions: (A) Out of paper/paper low; (B) Printer jam/failure; and (C) Printer disconnected (this may only be detected when the software tries to print). These conditions shall trigger an error condition to indicate the error has occurred.

12.8.11A.7 Ticket Validation. Payment by ticket printer as a method of credit redemption is only permissible where the gaming device is linked to an on-line data system, which allows validation of the printed ticket. Validation approval or information shall come from the host system in order to validate tickets. Tickets may be validated at the gaming

device or at any validation terminal as long as it meets the standards in this section. Provisions must be made if communication is lost and validation information cannot be sent to the host system, thereby requiring the manufacturer to have an alternate method of payment.

- 12.8.11A.8 Duplicate Tickets. If the gaming device is capable of printing duplicate tickets, it must clearly indicate that it is a duplicate ticket. The validation system must be able to identify duplicate tickets to prevent fraud by reprinting and redeeming a ticket that was previously issued by the gaming device.
- 12.8.11A.9 Metering Modifications. To account for cashless tickets accepted by a gaming device, the following electronic gaming device meters shall be incremented: (A) Total value of all items accepted; (B) Total number of all items accepted; (C) The “drop” meter shall maintain a cumulative count of the number of coins that have been diverted into a drop bucket and credit value of all bills or cashless tickets inserted into the bill acceptor for play. It is acceptable to have both a coins-dropped meter and a bills drop meter. The game shall have a separate meter that accumulates the number of cashless tickets accepted, not including bills; and (D) the gaming device or on-line data system shall have a separate meter that accumulates and increments the total value of cashless tickets accepted, not including bills which are included in section (C) above.
- 12.8.11A.10 No Credit Extended. As provided in Section 4.2, nothing in this section shall be construed to authorize the extension of credit to any person for gaming.
- 12.8.12 Identification Plates Required. Each video game of chance shall have an unremovable identification plate on the exterior of the cabinet which contains the following information: (a) manufacturer; (b) serial number; (c) model number; and (d) license stamp and number issued by the Band certifying compliance with the technical standards set forth in these regulations.
- 12.8.13 Rules of Play and Possible Winnings Displayed. The rules of play for each game must be prominently displayed on the game screen or the cabinet face. No rules of play may be displayed which are incomplete, confusing, or misleading. Each game must display the coins or credits wagered and the credits awarded for the occurrence of each possible winning combination based on the amount wagered. All information required by this section must be kept under glass or other transparent substance and at no time shall stickers or other such materials be placed on the machine

face which obscure the rules of play or the operational features of the game.

12.8.14 Operation as Part of Telecommunications Network. The hardware requirements above shall not be construed to prevent the operation of the video game of chance as part of a local or telecommunications area network with an aggregate prize or prizes. A video game of chance capable of bidirectional communication with external associated equipment must utilize communication protocol which insures that erroneous data or signals will not adversely affect the operation of the device.

12.8.15 Security Tape for EPROMS. Upon installation, a strip of security tape shall be affixed to the EPROM of each video game of chance, capable of evidencing the removal of the EPROM if the EPROM is removed from the circuit board. The security tape shall be secured and available only to the authorized personnel of the Band. Accurate and complete records of the identification number of each EPROM installed in each video game of chance shall be maintained in the records of the Band.

12.8.16 No Credit Card Meters Permitted. No video game of chance may be equipped with a device which permits the player to use a credit card or debit card rather than currency, tokens, coins, cashless tickets, or cashless electronic credits to activate the game.

12.9 Software Requirements for Video Games of Chance. Video games of chance operated within the reservation must meet the following specifications:

12.9.1 Software Requirements for Randomness Testing. Each video game of chance must have a true random number generator which will determine the occurrence of a specific symbol or a specific number to be displayed on the electronic screen where such symbol, card, or number is wholly or partially determinative of the outcome of a game. A selected process will be considered random if:

12.9.1.1 Chi-Square Analysis. Each symbol, card, stop position, or number position which is wholly or partially determinative of the outcome of a game, satisfies the ninety-nine (99%) percent confidence limit using the standard chi-square analysis.

12.9.1.2 Runs Test. Each symbol, card, stop position, or number does not as a significant statistic produce detectable patterns of game elements or occurrences. Each symbol, card, stop position, or number will be regarded as random if it meets the ninety-nine

(99%) percent confidence level with regard to the “runs test” or any generally accepted pattern testing statistic.

12.9.1.3 Correlation Analysis. Each pair of symbol, card, stop positions, or number positions is independently chosen without regard for any other symbol, card or number drawn within that game play. Each pair of symbol, card, or number positions is considered random if it meets the ninety-nine (99%) percent confidence level using standard correlation analysis.

12.9.1.4 Serial Correlation Analysis. Each symbol, card, stop position, or number is independently chosen without reference to the same symbol, card, stop position, or number in the previous game. Each symbol, card, stop position or number position is considered random if it meets the ninety-nine (99%) percent confidence level using standard serial correlation analysis.

12.9.1.5 Live Game Correlation. Video games of chance that are representative of live gambling games must fairly and accurately depict the play of the live game.

12.9.2 Software Requirements for Percentage Payout. Each video game of chance must meet the following maximum and minimum theoretical percentage pay out during the expected lifetime of the game.

12.9.2.1 Games Not Affected by Player Skill. Video games of chance with game outcomes not affected by player skill shall pay out a minimum of eighty (80%) percent and not more than ninety-five (95%) percent of the amount wagered, including replays. For the video game of keno and other similar games, the theoretical payout percentage requirements apply to each number of spots marked, but in no instance less than seventy-five (75%) percent for each wager.

12.9.2.2 Video Games that are Affected by Player Skill. Video games that are affected by player skill, such as draw poker and blackjack, shall pay out a minimum of eighty-three (83%) percent and no more than ninety-eight (98%) percent of the amount wagered, including replays. This standard is met when using a method of play which will provide the greatest return to the player.

12.9.3 Minimum Probability Standard for Maximum Payout. Each video game of chance must have a probability of obtaining the maximum payout which is greater than one (1) in seventeen million (17,000,000) for each play.

12.9.4 Software Requirements for Continuation of Game After Malfunction. Each video game of chance must be capable of continuing the current game with all current game features after a game malfunction is cleared automatically or by an attendant.

12.9.5 Software Requirements for Play Transaction Records. Each game shall maintain electronic accounting meters. Such meters shall be maintained at all times, whether or not the game is being supplied with external power, unless an online gaming machine monitoring system is utilized that captures similar data. Mechanical meters are not required. If mechanical meters are utilized, they must be fully functional. The following information must be recorded and stored on meters capable of maintaining totals no less than eight (8) digits in length:

12.9.5.1 Total number of coins inserted (the meter must count the total number of coins, or the equivalent value if a bill acceptor is used, which are inserted by players);

12.9.5.2 Number of credits wagered in the case of video games of chance employing a ticket printer mechanism;

12.9.5.3 Number of credits won in the case of video games of chance employing a ticket printer mechanism; and

12.9.5.4 Credits paid out by printed ticket voucher or coin paid by the device.

The following information must be recorded and stored on meters capable of maintaining totals no less than six (6) digits in length:

12.9.5.5 Number of times the logic area was accessed;

12.9.5.6 Number of coins or credits wagered in the current game;

12.9.5.7 Number of coins or credits wagered in the last complete, valid game; and

12.9.5.8 Number of cumulative credits representing credits won and money inserted by a player but as to credit machine, not collected, commonly referred to as the credit meter.

12.9.6 No Automatic Clearing of Accounting Meters. No video game of chance shall have a mechanism or program which will cause the electronic accounting meters to automatically clear. The electronic accounting

meters may be cleared only after written records of the readings before and after the clearing process are taken by the Band, which shall also record the reason the meter was cleared.

12.9.7 Meter Requirements for Promotional Gaming Devices. The following specific promotional meters are required.

12.9.7.1 Total Promotional Awards In (received by game) meter, which includes:

12.9.7.1.1 Total non-restricted (cashable), Promotional In, if applicable; and

12.9.7.1.2 Total restricted (non-cashable), Promotional In, if applicable.

12.9.7.2 Total Promotional Awards Out (removed from game and transferred back to player account) meter, if applicable, which includes:

12.9.7.2.1 Total non-restricted (cashable), Promotional Out; and

12.9.7.2.2 Total restricted (non-cashable), Promotional Out.

12.9.8 Audit Trails for Promotional Transactions. A cashless promotional system must have the ability to recall the last twenty-five (25) promotional transactions received from the system and the last twenty-five (25) promotional transactions transmitted to the system for each gaming device associated with the system. However, if a gaming device has bonusing or host-cashless features, or both enabled simultaneously with promotional features, a single 100-event log shall suffice. The following information must be displayed:

12.9.8.1 The type of transaction (upload/download) including restrictions (cashable or non-cashable, etc.) if utilizing a single 100-event log;

12.9.8.2 Transaction value;

12.9.8.3 Time and date; and

12.9.8.4 The players account number or a unique identifier, either of which can be used to authenticate the source of the funds (i.e., source of where the funds came from/went to).

- 12.10 Accounting and Audit Procedure. All accounting audit procedures will be carried out pursuant to Section 9 of these regulations.
- 12.11 Amendments to Hardware and Software Requirements for Video Games of Chance. The technical standards set forth in section 12.8 and 12.9 shall govern the operation of video games of chance unless amended by Band Ordinance.
- 12.12 The Band shall issue certificates to manufacturers or distributors pursuant to Section 4.5 of these regulations.
- 12.13 Definitions.
- 12.13.1 “Chi-squared analysis” is the sum of the squares of the difference between the expected result and the observed result.
- 12.13.2 “Runs test” is a mathematical statistic which determines the existence of recurring patterns within a set of data.
- 12.13.3 “Symbol position” means first symbol drawn, second drawn, in sequential order, up to the twentieth (20th) number drawn.
- 12.13.4 “Videos” means electronic or electromechanical video devices that simulate games commonly referred to as poker, blackjack, craps, hi-lo, roulette, line-up symbols and numbers, or other common gambling forms, which are activated by the insertion of a coin, token, or currency, and which award game credits, tokens, or replays, and contain a meter or device to record unplayed credits or replays.
- 12.13.5 “Logic Control components” means all types of program storage media used to maintain the executable program that causes the gaming device to operate. Such devices include, but are not limited to hard disc drives, PCMIA cards, EPROMs, EEPROMs, CD-ROMs and similar storage media. Such storage media shall:
- 12.13.5.1 All storage media partitions containing executable programs relating to the operation of the game shall not have the ability to be modified at any time the gaming device is executing the program that causes the gaming device to operate.
- 12.13.5.2 Sealing tape, or its equivalent, shall be used over areas that are access sensitive.

- 12.13.5.3 Logic control components along with EPROMs, and logic boards must be maintained in a locked, sealed area.
 - 12.13.5.4 Logic control components must be able to be inspected in the field. To this end, such devices must be able to be verified by using signatures, hash codes, or other secure algorithm. In addition, such devices must be able to be compared on a bit for bit basis.
 - 12.13.5.5 The supplier of the gaming devices, utilizing said logic control components, shall supply to both the tribe and the State approved field test equipment for carrying out tests required in 12.13.5.4 above. In addition, the supplier is required to provide verification training to all parties who request it.
- 12.13.6 “Cashless Gaming Device” means a video game of chance that accepts tickets in lieu of cash.

12.14 Shipping and Notification Requirements for Gaming Devices

- 12.14.1 The Fond du Lac Band requires shipping notification when shipping programs, conversion kits, key/clear chips, firmware and machines to either of its casinos (Black Bear Casino Resort and Fond-du-Luth Casino). Shipping notifications must be sent before or at the same time as the shipment. Same-day notification is acceptable. Shipping notifications for Black Bear Casino Resort must be sent to BBCShippingNotifications@fdlrez.com. Shipping notifications for Fond-du-Luth Casino must be sent to FLCShippingNotifications@fdlrez.com.
- 12.14.2 Shipment notifications must include the following information: (i) The contract title and date or the purchase order number and date; (ii) Point of origin; (iii) Point of destination; (iv) Arrival date; (v) Carrier; (vi) Method of shipment; (vii) Manufacturer license number; (viii) Serial number; (ix) Name of gaming device; (x) Type of gaming device; (xi) Date of manufacture.
- 12.14.3 In addition, GLI approval letters and par sheets for each game theme must accompany the shipping notification.
- 12.14.4 Non-gaming components are exempted from notification requirements. A “non-gaming” component is a component that plays no role in the playing of the game. These components include bill validators, printers (for

ticket-in/ticket-out machines), back-office systems that record player activity, progressive jackpot meters, and signage.

- 12.14.5 The Band requires shipping notification when shipping replacement gaming components. The shipping notification must be sent before or at the same time as the shipment. Same-day notification is acceptable. Shipping notifications for Black Bear Casino Resort must be sent to BBCShippingNotifications@fdlrez.com. Shipping notifications for Fond-du-Luth Casino must be sent to FLCShippingNotifications@fdlrez.com.
- 12.14.6 For machines being returned to the manufacturer, three (3) days notification must be provided to the Band and the respective casino, setting forth the selected carrier and anticipated date and time of arrival. Removal notifications for Black Bear Casino Resort must be sent to BBCShippingNotifications@fdlrez.com. Removal notifications for Fond-du-Luth Casino must be sent to FLCShippingNotifications@fdlrez.com.
- 12.14.7 Machine shipments must be by sealed truck. A dedicated truck is not required; shipments to Band casinos can be combined with shipments to other casinos.
- 12.14.8 The manufacturer must comply with all applicable state and federal regulations.
- 12.14.9 [Reserved.]
- 12.14.10 Unless other direction is given, shipments to the Black Bear Casino Resort must be sent to 1785 Highway 210, Carlton, MN 55718.
- 12.14.11 Unless other direction is given, shipments to the Fond-du-Luth Casino must be sent to 129 E Superior St, Duluth, MN 55802.

SECTION 13. STANDARDS FOR THE GAME OF BLACKJACK

13.1 Definitions. The following terms, when used in this section, shall have the following meanings unless the context clearly indicates otherwise:

- 13.1.1 “Blackjack” or “Twenty-one (21)” (hereafter “Blackjack”) means a card game in which each player opposes the dealer and the dealer opposes each player on behalf of the Band; it is played with a single deck or multiple decks of cards from which each player and a dealer are dealt two (2) cards and may draw additional cards; wherein the object is to accumulate a total of twenty-one (21) points or a total closer to twenty-one (21) points than that of the opposing hand, without exceeding twenty-one (21) points.
- 13.1.2 “A Blackjack” means the combination of an Ace and any card having a point value of ten (10) dealt as the initial two cards to a player or a dealer, except that a blackjack is not the combination of an Ace and a ten value card drawn after splitting a pair of Aces or tens.
- 13.1.3 “Box” means one of several areas of the Blackjack table marked-off in front of each player into which the players’ hands are dealt and from which their hands are played.
- 13.1.4 “Chip” means a metal or non-metal representative of value, redeemable for cash, and issued and sold by a gaming entity, for use in gaming.
- 13.1.5 “Dealer” means the person responsible for dealing the cards, taking wagers, and paying winnings.
- 13.1.6 “Digital Facsimile Cards” means cards that are electronically generated and shown to the player through a video display.
- 13.1.7 “Digital Facsimile Card Table” is a table designed to use Digital Facsimile Cards. Such a table shall contain all the components necessary to generate these cards, and player and dealer interaction. The table requires the use of a person acting as the dealer.
- 13.1.8 “Double Down” means an additional wager not in excess of the original wager after the first two cards have been dealt to a player, or such additional wager on the first two cards of any split pair, provided, however, that a player making such a wager may only draw one card.
- 13.1.9 “Hand” means either one game in a series, one deal of the cards, or the cards played by the dealer or a player.

- 13.1.10 “Hard Total” means the total point count of a hand which contains no aces or which contains aces that are each counted as one point in value.
- 13.1.11 “Hole” means one of several areas of the Blackjack table marked-off in front of each player into which the players' chips are placed.
- 13.1.12 “Insurance” means the election of a player to wager that the dealer does have a blackjack when the dealer has one card down and one card showing which is an ace.
- 13.1.13 “Over and Under 13” means the election of a player to wager on the point total of the players two cards before the commencement of each round of play, a player may wager that the point total of the first two cards will be twelve or less; and the player may wager that he point total of the first two cards will be fourteen or more. Aces shall count as “1.” The amount bet shall not exceed the amount of the original wager.
- 13.1.14 “Payout” means the winnings earned on a wager.
- 13.1.15 “Player” means one person to whom a hand has been dealt.
- 13.1.16 “Propositional Wager” or “Proposition Bet” means any wager which is not specifically permitted under this section.
- 13.1.17 “Push” or “Standoff” (hereafter “push”) means the circumstance in which a player and dealer have the same point total of twenty-one (21) or less, resulting in a tie and cancellation of the player's wager; except that a push is not the circumstance in which both a player and the dealer have twenty-one (21) points but only one of these opponents has a blackjack.
- 13.1.18 “Shoe” means the container from which one or more decks of cards are dealt that is designed to prevent dealer slights of hand.
- 13.1.19 “Soft Total” means the total point value of a hand containing an ace when the ace is counted as eleven (11) points in value.
- 13.1.20 “Split” means the election of a player who has been dealt two (2) cards identical in value to split the single hand into two (2) separate hands and concomitantly make a wager on the separately formed second hand which is equal in value to the original wager.
- 13.1.21 “Surrender” means the election of a player to discontinue play on that player's hand for that round by giving over to the Tribe one half (1/2) of player's wager after the first two (2) cards are dealt to the player and the

player's point total is announced; except that where the dealer has Blackjack with an Ace showing, no surrender is permitted.

13.1.22 "Wager" means a sum of money, represented in Blackjack by a chip, that is risked.

13.2 Game regulations. The game of Blackjack shall be played as provided in these regulations:

13.2.1 Regulation of Players, Nonplayers, and Consultations Between Them.

13.2.1.1 No more than seven (7) players shall be allowed to play Blackjack at any single Blackjack table for any given hand;

13.2.1.2 No more than seven (7) persons, exclusive of casino personnel, shall be seated at any single Blackjack table for any given hand.

13.2.1.3 At the discretion of the Band, the number of nonplayers in proximity to the Blackjack tables may be limited at any time during the play of Blackjack provided that one nonplayer shall be permitted to remain for each player who requests such permission;

13.2.1.4 Players may consult with nonplayers before making an election pursuant to these regulations; however, the Band shall respond only to an election communicated by a player.

13.2.2 Cards; Number of Decks; Value of Cards.

13.2.2.1 Blackjack shall be played with one or more fifty-two-card (52) decks and one colored cutting card. Before being put into play, the cards shall arrive at the Blackjack table unused and still sealed within the cellophane wrapping originally applied by the card manufacturer. Digital facsimiles of these cards are permitted so long as they conform to the requirements of this section. They are not however required to be sealed and wrapped.

13.2.2.2 The value of the cards contained in each deck shall be as follows:

13.2.2.2.1 Any card from the two (2) to the ten (10) shall have its face value;

13.2.2.2.2 Any Jack, Queen, or King shall have a value of ten (10);

13.2.2.2.3 An Ace shall have a value of eleven (11) unless that would give a player or the dealer a score in excess of twenty-one, in which case, it shall have a value of one.

13.2.3 Wagers.

13.2.3.1 Only players may wager in the game of Blackjack.

13.2.3.2 No more than seven (7) players shall be allowed to make wagers at any single gaming table for any given hand.

13.2.3.3 Prior to the first card being dealt for each round of play, each player at the game of Blackjack shall make a wager against the dealer.

13.2.3.4 A player's wager shall win if:

13.2.3.4.1 The score of the players is 21 or less and the score of the dealer is in excess of 21;

13.2.3.4.2 The score of the player exceeds that of the dealer without either opponent exceeding 21; or

13.2.3.4.3 Both the player and dealer have achieved a score of 21; however the player has a blackjack and the dealer does not.

13.2.3.5 A player's wager shall lose if:

13.2.3.5.1 No matter what the score of the dealer, the score of the player is in excess of 21;

13.2.3.5.2 The score of the dealer exceeds that of the player without either opponent exceeding 21; or

13.2.3.5.3 Both the dealer and player have achieved a score of 21; however, the dealer has a blackjack and the player does not.

13.2.3.6 A player's wager shall be cancelled in the event of a push.

- 13.2.3.7 Except as otherwise provided in these regulations, no wager shall be made, increased, or withdrawn after the first card of the respective round has been dealt.
- 13.2.3.8 Wagers shall be represented by gaming chips and by no other means including, but not limited to, United States and foreign currencies, promissory notes, and securities.
- 13.2.3.9 A player shall make a wager by placing gaming chips in the appropriate hole.
- 13.2.3.10 The Band shall establish minimum and maximum wagers permitted at each blackjack table in the casino. The minimum and maximum wagers shall be conspicuously posted at each table. The Band, at its discretion, may change the minimum or maximum at any table, provided that the players that are already playing at the table shall not be required to abide with the new minimum. Any player may choose to bet the new maximum. If the maximum bet at any given table is greater than or equal to \$200.00, the Band shall provide the increased surveillance required under section 13.2.6.2.
- 13.2.3.11 Except for a blackjack, all winning wagers made in accordance with this paragraph shall be paid at odds of 1 to 1. At the Band's discretion, a blackjack may be paid at minimum odds of 3 to 2, and maximum odds of 2 to 1. The odds for the payment of blackjack shall be conspicuously posted at each gaming table.
- 13.2.3.12 The dealer shall announce any blackjack obtained by a player or the dealer and pay off or collect as provided in these regulations either immediately or at the hand's conclusion.
- 13.2.3.13 Once the first card of any hand has been dealt by the dealer, no player shall handle, remove, or add any chips, or otherwise alter any wager, unless the floor supervisor or pit boss approves of such alteration in accordance with these regulations.
- 13.2.3.14 Once a wager on insurance, wager to double down, or wager to split pairs has been made and confirmed by the dealer, no player shall handle, remove, or add any chips, or otherwise alter any wager, unless the floor supervisor or pit boss approves of such alteration in accordance with these regulations.
- 13.2.3.15 The Band may preclude a person who has not made a wager on the first round of play from entering the game on a subsequent

round of play prior to a reshuffle of the cards occurring. Any person permitted by the Band to enter the game after the first round of cards has been dealt may be limited by the Band to a wager of the minimum limit posted at the table until the cards are reshuffled and a new deal is commenced.

13.2.3.16 Any player who, after placing a wager on any given round of play, declines to place a wager on any subsequent round of play may be precluded by the Band from placing any further wagers until the dealer's shoe of cards is completed and a new shoe is commenced.

13.2.3.17 In the event a player is precluded from play under subdivisions 13.2.3.15. or 13.2.3.16., above, the Band may at its discretion request that the player leave the Blackjack table, provided that the player is allowed to join or rejoin that or any other game subject only to the conditions imposed on all players by the game regulations described in these regulations.

13.2.4 Opening of Table for Gaming.

13.2.4.1 After receiving the one or more decks of cards at the Blackjack table, the dealer shall sort and inspect the cards and the floor person assigned to the table shall verify the inspection.

13.2.4.2 After the cards are inspected, the cards shall be spread out face upwards on the table for visual inspection by the first player or players to arrive at the table. The cards shall be spread out in a horizontal fan shaped by columns by deck according to suit and in sequence.

13.2.4.3 This section shall not apply to tables using digital facsimile cards, except that digital facsimile cards shall be electronically shuffled immediately before the commencement of play after any time in which the table has gone "dead".

13.2.5 Shuffle and Cut of the Cards.

13.2.5.1 Immediately prior to commencement of play and after any round as may be determined by the Band, the dealer shall shuffle the cards so that they are randomly intermixed.

13.2.5.2 After the cards have been shuffled, the dealer shall offer the stacks of cards with backs facing away from the dealer, to the players to be cut.

13.2.5.3 The player designated by subsection 13.2.5.4., below, or the dealer as designated by subsection 13.2.5.5., below, shall cut the cards by placing the cutting card in the stack at least ten (10) cards in from either end.

13.2.5.4 The player to cut the cards shall be:

13.2.5.4.1 The first player to the table if the game is just beginning.

13.2.5.4.2 The player on whose box the cutting card appeared during the last round of play.

13.2.5.4.3 The player at the farthest point to the right of the dealer if the cutting card appeared on the dealer's hand during the last round of play.

13.2.5.4.4 The player at the farthest point to the right of the dealer if the reshuffle was initiated at the discretion of the Band.

13.2.5.5 If the player designated in subsection 13.2.5.4.4., above, refuses the cut, the cards shall be offered to each other player moving clockwise around the table until a player accepts the cut. If no player accepts the cut, the dealer shall cut the cards.

13.2.5.6 Except as provided, a table using Digital Facsimile Cards shall conform to this section. Such table shall allow for the player to electronically cut the deck. A player may request a fresh shuffle at any time prior to the start of a new round.

13.2.6 Dealing from the Hands. The following procedures shall govern those gaming tables where the election has been made to deal from the hand:

13.2.6.1 Other than that the cards are dealt from the hand rather than a shoe the procedures described in sections 13.2.4, 13.2.5 and 13.2.7 shall apply.

13.2.6.2. At any table from which the cards are dealt from the hand there must be a camera capable of providing pan, tilt, and zoom surveillance at the table, and one pit boss or floor supervisor for every two such tables.

13.2.7 Dealing from a Shoe.

- 13.2.7.1 All cards used to game at Blackjack shall be dealt from a multideck dealing shoe specifically designed for such purpose and located on the Blackjack table to the left of the dealer.
- 13.2.7.2 Each dealer shall remove the cards from the shoe with the left hand, turn the cards face upwards, and then with the right hand, place the cards on the appropriate areas of the layout, except that the dealer has the option to deal hit cards to the first two boxes with the left hand.
- 13.2.7.3 After each full set of cards is placed in the shoe, the dealer shall remove the first card therefrom face downwards and place it on the discard rack which shall be located on the table immediately to the right of the dealer. Each new dealer who comes to the table shall follow the same procedures as described in this subsection before the new dealer deals any new cards to the players. The first card which has been placed face down in the discharge rack, otherwise known as the "burn card," shall be disclosed if requested by a player.
- 13.2.7.4 At the commencement of each round of play, the dealer shall, starting on the dealer's left and continuing around the table to the right, deal the cards in the following order:
- 13.2.7.4.1 One card face upwards to each of the players' boxes;
- 13.2.7.4.2 One card face down to the dealer;
- 13.2.7.4.3 A second card face upwards to each of the players' boxes;
- 13.2.7.4.4 A second card face down to the dealer, and then turning the dealer's first card face up.
- 13.2.7.5 After two (2) cards have been dealt to each player and the dealer, the dealer shall, beginning on the dealer's left, indicate each player's turn to act. Such player shall indicate to the dealer whether he wishes to stand, draw, or make any other election as permitted by these regulations.

- 13.2.7.6 As each player makes an election, the dealer shall deal face upwards whatever additional cards are necessary to effectuate such election consistent with these regulations.
- 13.2.7.7 At the conclusion of a round of play, all cards still remaining on the layout shall be picked up by the dealer in order and in such a way that they can be readily arranged to indicate each player's hand in case of questions or dispute. The dealer shall pick up the cards beginning with those of the player to the far right of the dealer and moving counter-clockwise around the table. After all the players' cards have been collected the dealer shall pick up his cards and place them in the discard rack on top of the players' cards.
- 13.2.7.8 Whenever the cutting card is reached in the deal of the cards, the dealer shall continue dealing the cards until that round of play is completed after which he shall reshuffle the cards. If at the beginning of a new round, the first card to be dealt is the cutting card, the dealing stops and the dealer shuffles the cards. The shoe of every table using Digital Facsimile Cards shall electronically provide an indication to the dealer that a new shuffle is necessary. Such indication shall appear in time to complete the current round from the existing shoe.
- 13.2.7.9 At no time shall a player or nonplayer be allowed to handle, alter, or remove any cards used to game at Blackjack except as explicitly permitted in this section.
- 13.2.7.10 Each player at the table shall be responsible for correctly computing the point counts of his/her hand, and no player shall rely on any point counts announced by the dealer. In the case of a table using Digital Facsimile Cards, the house may allow for the tables to display the count of the cards in each hand.
- 13.2.7.11 At any time when all players leave the table and prior to play resuming, all cards in the shoe and discarded shall be spread out face upwards on the table for visual inspection by the first player or players to arrive at the table. Upon request by the first player or players, the cards shall be spread out in horizontal fan shaped columns by deck according to suit and in sequence.
- 13.2.7.12 Tables using digital facsimile cards must conform to the procedures of this section. Digital representations of these procedures are accepted.

13.2.8 Payment of a Blackjack.

13.2.8.1 If the first face up card dealt to the dealer is 2, 3, 4, 5, 6, 7, 8, or 9 and a player has blackjack, the dealer shall announce and pay the winner at odds in play at that table, either immediately or at the hand's conclusion.

13.2.8.2 If the first face up card dealt to the dealer is an Ace, King, Queen, Jack, or Ten and a player has a Blackjack, the dealer shall announce the Blackjack but shall make no payment nor remove any cards until all other cards are dealt to the players and the dealer receives a second card. If, in such circumstances, the dealer's second card does not give the dealer a Blackjack, the player having a Blackjack shall be paid at odds in play at that table. If, however, the dealer's second card gives him a Blackjack, the wager of the player having a Blackjack shall constitute a tie or a push.

13.2.9 Surrender. The Band may allow all players to surrender or may prohibit them from surrendering. The game regulation regarding surrender shall be conspicuously posted at the location where blackjack is played.

13.2.10 Insurance. The Band may allow all players to make insurance wagers, or may prohibit them from so wagering. The game regulation regarding insurance shall be conspicuously posted at the location where Blackjack is played.

13.2.11 Doubling Down. The Band may allow all players to double down, or may prohibit them from doubling down. The game regulation regarding doubling down shall be conspicuously posted at the location where Blackjack is played.

13.2.12 Splitting Pairs. The Band may allow all players to split, or may prohibit them from splitting. The game regulation regarding splitting pairs shall be conspicuously posted at the location where Blackjack is being played.

13.2.13 Over and Under 13. The Band may allow all players to make wagers on over and under 13 or may prohibit them from so wagering. The game regulations regarding over and under 13 shall be conspicuously posted at the location where blackjack is being played.

13.2.14 Drawing of Additional Cards by Players and Dealers.

13.2.14.1 A player may elect to draw additional cards whenever that player's point count total is less than twenty-one (21), except that:

13.2.14.1.1 A player having a blackjack or a hard total of 21 may not draw additional cards;

13.2.14.1.2 A player electing to double down may draw up to the posted limit; and

13.2.14.1.3 A player splitting Aces shall only have one card dealt to each Ace and may not elect to receive additional cards.

13.2.14.2 Except as provided in subsection 13.2.14.3., below, the dealer shall draw additional cards until the dealer accumulates the total posted on the layout, at which point no additional cards shall be drawn.

13.2.14.3 A dealer shall draw no additional cards, regardless of the point count, if all players have made their elections on their respective hands and the point count of the dealer's hand will have no effect on the outcome of the round of play.

13.2.15 A Player Wagering on More than One Box. The Band may permit a player to wager on more than one box at the Blackjack table provided, however, that the Band shall have the authority and discretion to prohibit this during hours when there are insufficient seats at the location where Blackjack is played to accommodate patron demand.

13.2.16 Distribution of Blackjack Tips. All tip bets won by a dealer and all other tips shall be paid in chips, deposited in a locking tip box in the dealer's pit area, pooled with all other tips and tip bets accumulated by all other dealers, and shall be divided not more frequently than weekly between dealers and supervisory management personnel as defined by the Band upon a formula established by the Band. Cash tipping shall be prohibited.

13.2.17 Blackjack Tournament. The Band may allow the play of Blackjack tournaments where, in addition to the wager, players may win other prizes as provided for in the regulations of that particular tournament. Any

such Blackjack tournament must otherwise be played as provided in this section.

13.2.18 Availability of Blackjack Rules. The regulations of Blackjack or of a Blackjack tournament must be made readily available in writing to players or potential players on request.

13.2.19 Inspection. Agents of the Department of Public Safety of the State of Minnesota, or their designated representatives, shall upon the presentation of appropriate identification, have the right to gain access, without notice during normal business hours, to all premises used for the play of Blackjack or the storage of equipment related thereto, and may inspect all premises, equipment, records, documents, or items related to the play of Blackjack in order to verify compliance documents, or items related to the play of Blackjack in order to verify compliance with the provisions of these regulations. Inspections made pursuant to this section shall not be conducted in a manner which disrupts normal business operations and shall be conducted by agents who maintain the highest security clearance available within the Department of Public Safety.

13.3 Staffing and Surveillance Requirements. The following staffing and surveillance requirements shall apply to the game of blackjack:

13.3.1 At all times during the conduct of blackjack games the following staff and surveillance equipment must be present:

13.3.1.1 For casinos which have four or fewer tables:

13.3.1.1.1 At least one cashier;

13.3.1.1.2 At least one pit boss or floor supervisor for each pit area open;

13.3.1.1.3 One dealer per table.

13.3.1.2 For casinos which have more than four tables:

13.3.1.2.1 At least one cashier;

13.3.1.2.2 At least one pit boss or floor boss for each four tables or fraction thereof;

13.3.1.2.3 One dealer per table; and

13.3.1.2.4 Video surveillance equipment that will enable the casino to provide surveillance at any given table, provided that for any casino where cards are dealt from the hand, or where the limits are greater than or equal to \$200, the requirements of section 13.2.6.2 shall apply.

13.3.2 Except as otherwise provided, each dealer, pit boss and floor supervisor must be licensed by the Band before beginning work. As condition of licensure each dealer, pit boss or floor supervisor must complete a training course prescribed by the Band. Such training course shall be similar in content and testing to other jurisdictions allowing blackjack. The course of training shall be of not less than 30 hours in duration, and the content of the curriculum shall be developed in conjunction with the State Department of Public Safety. Officials of the Department of Public Safety may participate in any training programs offered by the Band without cost. Upon licensure each dealer, pit boss and floor supervisor shall be issued a photographic identification card. Such identification card shall display the name of the Band issuing authority, the date of expiration, and the name of the dealer or pit boss.

13.3.3 Each dealer, pit boss and floor supervisor shall be required to wear the photographic identification card described in 13.3.2 of this section during all times when they are working. Such identification card shall be reissued no less frequently than annually.

13.3.4 Every table using Digital Facsimile Cards shall secure the components in a locked area. Any access to the area shall be recorded as well as the date and time of each access. Additionally, the device shall notify the house of any access to the device. Any access to the device shall be investigated with a report to the event, the cause of the warning, dealer identity, and the resolution of the problem. Such reports shall be available for inspection by the Department of Public Safety, Alcohol & Gambling Enforcement Division.

13.4 Digital Facsimile Cards - Additional Requirements

13.4.1 Any table using digital facsimile cards is subject to inspection by agents of the Department of Public Safety Alcohol & Gambling Enforcement Division.

13.4.2 Devices used to generate the digital facsimile cards shall be subject to testing by an independent testing facility/laboratory. Further the state

may request changes to these standards at anytime. The tribe must agree to such change before any requested change is adopted.

13.4.3 The independent testing laboratory standards shall include such tests to certify that any table using digital cards conforms to the rules for the play of the game of blackjack as established in the Tribal-State Compact on Blackjack.

13.4.4 The following shall apply to these tables:

13.4.4.1 Logic Control Components means all types of program storage media used to maintain the program that causes the gaming devices to operate. Such devices include, but are not limited to, hard disk drives, PCMCIA cards, EPROMS, EEPROMS, CD-ROMS and similar storage media shall:

13.4.4.1.1 Be disabled from being written to when in the machine via a physical or hardware write disable to ensure that it is impossible to write any contents to the storage media any time, either from an internal or external source.

13.4.4.1.2 Sealing tape, or its equivalent, shall be used over areas that are access sensitive.

13.4.4.1.3 Logic control components must be able to be inspected in the field. To this end, such devices must be able to be verified by signatures, hash codes, or other secure algorithm. In addition, such devices must be able to be compared on a bit for bit basis.

13.4.4.1.4 The supplier of the gaming devices, utilizing said logic control components, shall supply to both the tribe and the state approved field test equipment for carrying out the tests required in 13.4.4.1.3 above. In addition, the supplier is required to provide verification training to all parties who request it.

13.4.4.2 Digital facsimile cards must be able to be displayed in a manner that allows for them to be viewed and records by the surveillance system.

13.4.5 Any table using digital facsimile cards is considered to be a gambling device as defined in Minnesota state statute 609.75. The manufacturer of such a device is subject to the license requirements established under Minnesota Statutes 299L.07.

SECTION 14. SURVEILLANCE.

- 14.1 In each gaming enterprise owned and operated by the Band, the Surveillance Department shall establish such lines of communication as may be required to ensure that the gaming enterprise, its patrons and its employees are protected from all dishonest practices, and shall report directly to the Band.
- 14.2 No person employed by the Band in the Surveillance Department shall be transferred to an operations-related position in the same casino while employed, and no person shall be licensed for employment in an operations-related position in the same casino for a period of at least one year following that person's resignation, termination, or discharge from a position in the Surveillance Department. For the purposes of this subsection, an "operations-related position" shall mean any Class A or Class C-licensed position within a gaming facility, other than positions in the Surveillance, Management Information Systems (MIS), Internal Audit, Bank Secrecy Act, Employee Compliance, or Human Resources departments.

SECTION 15. DISPUTE RESOLUTION.

- 15.1 Disputes between a customer or members of the public and the Gaming Facility with respect to Gaming activities at the Gaming Facility shall be handled as follows:
 - 15.1.1 Disputes shall initially be brought to the attention of the supervisor on duty at the time the dispute arises;
 - 15.1.2 If the dispute is not resolved to the satisfaction of the aggrieved party, s/he may submit a complaint in writing to the General Manager of the Gaming Facility, who shall render a decision on the dispute in writing, stating the reasons for the decision.
- 15.2 If the aggrieved party remains unsatisfied, s/he may submit a written statement to the Reservation Business Committee, outlining with specificity the reasons for his or her dissatisfaction with the decision of the Gaming Facility manager. The Reservation Business Committee may request additional information from the aggrieved party, the manager of the Gaming Facility or other parties, and may, in its sole discretion, conduct a hearing on the matter. The Reservation Business Committee shall issue a final written decision on the dispute within ninety (90) days from the receipt of the written statement from the aggrieved party or within ninety (90) days from the completion of the hearing, if one is conducted.
- 15.3 Decisions of the Reservation Business Committee are final and non-appealable and may be enforced exclusively through the Fond du Lac Tribal Court

CERTIFICATION

We do hereby certify the foregoing Fond du Lac Gaming Regulations were duly adopted pursuant to the Fond du Lac Gaming Ordinance #09/93 and the Tribal/State Compacts for the operation of Video Games of Chance and Blackjack, by Resolution #1174/93, by a vote of 2 for 0 against, with a quorum of 3 being present at a Special Meeting of the Fond du Lac Reservation Business Committee held on June 28, 1993, in Duluth, Minnesota, and subsequently revised as follows: by Resolution #1085/96 on March 19, 1996; by Resolution #1363/98 on November 10, 1998; by Resolution #1092/99 on April 14, 1999; by Resolution #1126/99 on May 4, 1999; by Resolutions ##1222/01 and 1124/01 on August 9, 2001; by Resolution #1246/01 on August 28, 2001; by Resolutions ##1167/02 and 1169/02 on April 25, 2002; by Resolution #1248/03 on September 4, 2003, by Resolution #1065/04 on March 4, 2004; by Resolution #1016/09 on January 13, 2009; by Resolution #1041/10 on February 2, 2010; by Resolution #1303/10 on September 7, 2010; by Resolution #1020/11 on January 25, 2011; by Resolution #1362/13 on October 29, 2013; by Resolution #1049/16 on February 11, 2016; and by Resolution 1243/18 on September 4, 2018.



Kevin R. Dupuis, Sr.
Chairman



Ferdinand Martineau, Jr.
Secretary/Treasurer

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