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## **Title 13: Gaming**

### **Part 1: Organization and Administration**

#### **Part 1 Chapter 1: GENERAL PROVISIONS**

*Rule 1.1 Appointment Of Committees.* The Commission may at its discretion appoint committees to study and report to the Executive Director or the Commission any matter appropriate to the Commission's administration of the Act or these regulations. (Adopted: 09/25/1991; Amended: 01/22/1998.)

Source: *Miss. Code Ann.* § 75-76-23

*Rule 1.2 Definitions.* The terms defined in the Mississippi Gaming Control Act have the same meaning in these regulations as they have in that Act, unless the context otherwise requires. As used in these regulations, the following terms have the following definitions, unless the context requires otherwise.

- (a) "Act" means the Mississippi Gaming Control Act.
  - (b) "Operating licensee" means the person or entity licensed to actually operate a particular gaming establishment.
  - (c) "Executive Director" includes any duly authorized agent of the Executive Director.
- (Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* § 75-76-5 (Rev. 2004).

#### **Part 1 Chapter 2: PUBLIC AND CONFIDENTIAL RECORDS**

*Rule 2.1 Definitions.* As used in this regulation

(a) "Agency work product" means any paper, document, or other record prepared within the Commission, in performance of statutory authority, which contains opinions or recommendations submitted for consideration in the performance of decisional or policy making functions or information supplied by any governmental agency or an informer or on the assurance that the information will be held in confidence. "Agency work product" includes, but is not limited to, the following documents prepared by members, agents, attorneys, and employees of the Commission:

1. Investigative summaries concerning applicants for licensure, finding of suitability, registration, or other affirmative Commission approval;
2. Investigatory files compiled for law enforcement purposes;
3. Investigative reports;
4. Work papers and notes of members, agents, attorneys, and employees of the Commission;
5. Audit reports, including work papers, whether for special or regular audits;
6. Orders to show cause and related documents; and
7. Reports regarding loans to licensees, submitted to the Commission pursuant to Regulation II-I.



(b) "Applicant records" means those records which contain information and data pertaining to an applicant's criminal record, antecedents and background, and the applicant's financial records, furnished to or obtained by the Commission from any source incident to an investigation for licensure, finding of suitability, registration, or other affirmative approval.

(c) "Certification fees" means the fees charged by Commission personnel incident to the certification of documents.

(d) "Confidential record" means any paper, document or other record or data reduced to a record which is not open to public inspection.

(e) "Duplication fees" mean a charge for duplicating documents for release to the requesting person.

(f) "Financial records" mean those records which relate to the finances, earnings, or revenue of an applicant, licensee, registered company, or person to whom any approval has been granted.

(g) "Investigation" means any investigation conducted by the Commission or its staff pursuant to the Mississippi Gaming Control Act and the regulations promulgated thereunder, including, but not limited to, an investigation pursuant to an application for a gaming license, continuation of a gaming license, finding of suitability, registration, approval, other license, or periodic compliance investigation. (Adopted: 11/18/1999.)

(h) "Law enforcement agency" means any governmental agency involved in the investigation of criminal activity or the arrest, detention, or prosecution of persons suspected of engaging in criminal activity.

(i) "Public record" means any paper, document, or other record required to be kept or necessary to be kept, in the discharge of a duty imposed by law, not declared confidential by statute or regulation. Public records are open to public inspection and include, but are not limited to, the following:

1. Minutes of Commission regular and special public meetings, and all public hearings conducted by the Commission, or its agents, including exhibits entered in the public record as public documents at those meetings or hearings;
2. A list of all applications made under the Act and the record of all formal actions taken with respect to such applications by the Executive Director or the Commission;
3. Agendas of Commission meetings;
4. With the exception of documents filed under seal pursuant to section 3, legal documents filed with the Commission concerning contested cases brought by or against the Executive Director, including, without limitation, disciplinary actions, proceedings concerning the possible inclusion of persons on the list of excluded persons, petitions for redetermination, and requests for refund, except that the summary of evidence filed with a disciplinary complaint and the evidence to which it refers is confidential until such documents are entered in the public record as public documents at a commission hearing on the complaint;
5. Commission files on the enactment, amendment, or repeal of regulations;
6. The Act and the regulations promulgated thereunder;
7. Licenses;
8. The following public documents submitted to the Commission and the United States Securities and Exchange Commission by publicly traded corporations:
  - i. Annual and quarterly reports to the United States Securities and Exchange Commission;

- ii. Notices of annual meetings and proxy material provided to the shareholders; and
  - iii. Registration statements declared effective by the United States Securities and Exchange Commission; and
9. Reports and correspondence of the Commission specifically prepared for public distribution. (Adopted: 09/25/1991; Amended: 11/18/1999.)

Source: *Miss. Code Ann.* § 75-76-5 (Rev. 2004);

*Rule 2.2 Confidential Records.* Confidential records may only be released as prescribed in this regulation. Confidential records include, but are not limited to:

- (a) Agency work product;
- (b) Applicant records;
- (c) Financial records;
- (d) Transcripts of investigative and other closed hearings including, but not limited to, work permit and personnel hearings;
- (e) Preliminary filings with the Commission by applicants, licensees, or registered publicly traded corporations including, but not limited to:
  1. Preliminary documents filed by publicly traded corporations with the United States Securities and Exchange Commission; and
  2. Reorganization and financing proposals;
- (f) Work permit records, lists of work permit holders, and records of persons engaged in the gaming industry acquired or compiled by the Commission;
- (g) Records or data provided to members, agents, and employees of the Commission on the assurance that such information will be held in confidence and treated as confidential information;
- (h) Records or data provided to members, agents, or employees of the Commission with a request for confidentiality, which request has been granted by the Executive Director or the Commission Chairman;
- (i) Any records required to be submitted to the Commission which contain information that is privileged, unless the holder of the privilege has waived the privilege;
- (j) Licensees' responses to orders to show cause;
- (k) Documents that are confidential under the Act, these regulations, or other law, proffered or introduced as evidence in contested matters, provided such documents are received in evidence as confidential exhibits;
- (l) Those documents or portions of documents filed in contested matters under seal pursuant to section 3 of this regulation;
- (m) Internal control systems submitted by applicants or licensees;
- (n) Correspondence containing information deemed confidential by applicable law or regulation; and
- (o) Any records which contain any information relating to confidential investigations or confidential informants of the Commission. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* § 75-76-87 (Rev. 2004).

*Rule 2.3 Sealing Of Documents.*

(a) The Commission Chairman or the hearing examiner may allow any person interested in a contested case brought before the Commission by or against the Executive Director to file a document or portions of a document with the Commission under seal if:

1. The document or portions of the document contain information that is confidential pursuant to the Act or these regulations;
2. The person makes a request in writing or on the record of a public hearing to allow the filing of the document or portions of the document under seal, setting forth the reasons that such filing under seal should be permitted;
3. The person requesting the filing of the document or portions of the document under seal has, to the extent practicable, segregated the portions of the document containing confidential information from the remainder of the document so that no more of the document than is necessary is filed under seal; and
4. The Commission Chairman or the hearing examiner finds that the public interest in maintaining the confidentiality of the information outweighs the public interest in making the information public.

(b) The Commission Chairman or the hearing examiner may not allow the filing of the following documents under seal:

1. Complaints for disciplinary action;
2. Answers to complaints for disciplinary action;
3. Any Commission order.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* § 75-76-111

*Rule 2.4 Access To Public Records.* A request for access to public records must be made to a custodian of records of the Commission. The Executive Director shall designate the custodians of the Commission's records. The custodians of records shall require payment of any duplication, or certification fees prior to release of copies of the records. As soon as practicable after payment of the required fees, the custodians of records shall provide copies of all public records requested. The Executive Director may waive payment of the required fees. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* § 75-76-19

*Rule 2.5 Access To Confidential Records.*

(a) Except as otherwise provided in this section, the Commission may only release confidential records if ordered to do so by a court of competent jurisdiction following compliance with Miss. Code Ann. §75-76-153.

(b) All requests for access to confidential records must be made in writing to the Executive Director.

(c) Pursuant to a written request, as described in subsection (b), from any duly authorized agent of any agency of the United States Government, any state, or any political subdivision of this state, the Commission may release confidential records to the agency requesting them, except as otherwise provided in subsection (d), upon a finding by the Executive Director that the release is consistent with the policy of this state as reflected in the Act.

(d) Notwithstanding any other section of this regulation, the Commission may only release work permit records:

1. Pursuant to subsection (c), if the agency requesting the records is a law enforcement agency; or
2. Pursuant to subsection (e).

(e) Pursuant to a written request, as described in subsection (b), the Executive Director or the Commission may release confidential records to the person requesting them upon an express written finding by the Executive Director or the Commission that the release of the confidential record(s) is necessary for the effective administration of the Act. The release of confidential records is necessary for the effective administration of the Act when, in the discretion of the Executive Director or the Commission:

1. It is the most effective means of furthering or accomplishing any objective authorized by the Act or these regulations;
2. It is not in conflict with the policy underlying the Act; and
3. There are no practical, effective alternative means of furthering or accomplishing the objective.

(f) Notwithstanding anything to the contrary contained in this regulation, the Executive Director may enter into agreements with other governmental agencies for the exchange or release of confidential information:

1. Provided that the Executive Director determines that the release of information contemplated by the agreement will be consistent with the policy of this state as reflected in the Act, pursuant to subsection (c) of this section; or
2. If work permit records will be released to any governmental agency other than a law enforcement agency pursuant to the agreement, provided that the Executive Director makes an express written finding that the release of work permit records contemplated by the agreement are necessary for the effective administration of the Act, pursuant to subsection (e) of this section.

(g) Once the Executive Director enters into an agreement pursuant to subsection (f) of this section, the agreement constitutes compliance with subsections (c), (d), and (e) of this section, and the Executive Director is not required to make separate findings each time that confidential information is released pursuant to the agreement.

(h) The Executive Director or the Commission may require any party receiving confidential information to agree in writing or on the record of any hearing to any limitations that the Executive Director or the Commission deems necessary prior to giving that party the confidential information. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* § 75-76-133

*Rule 2.6 Unauthorized Procurement Of Records Prohibited.* An applicant, licensee, registered company, or enrolled person shall not, directly or indirectly, procure or attempt to procure from the Commission information or records that are not made available by proper authority. Any violation of this regulation constitutes reasonable cause for disciplinary action or to deny any application. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* § 75-76-19

**Part 1 Chapter 3: ENROLLMENT OF ATTORNEYS, ACCOUNTANTS, AND AGENTS.**

*Rule 3.1 Eligibility To Practice.* No person shall be eligible to practice before the Commission unless such person is enrolled in accordance with these regulations, except that any individual may appear, without enrollment, on his own behalf or on behalf of a member of his immediate family, if such appearance is without compensation; and a member of a partnership, an officer of a corporation, or an authorized regular employee of an individual, partnership, corporation, or other business entity may likewise appear without enrollment in any matter relating to such individual or business entity. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* § 75-76-33; 75-76-49

*Rule 3.2 Scope Of Practice.* Practice before the Commission shall be deemed to include all matters relating to the presentation of a client's matter to the Commission, the Executive Director, or a hearing examiner, including the preparation and filing of applications, reports, systems of internal control, financial statements, or other documents submitted to the Commission on behalf of such client. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* § 75-76-33

*Rule 3.3 Qualifications For Enrollment.* The following persons may be admitted to practice before the Commission:

- (a) Attorneys at law admitted to practice before the Supreme Court of the State of Mississippi and who are lawfully engaged in the active practice of their profession.
- (b) Certified public accountants and public accountants qualified to practice under Mississippi law and who are lawfully engaged in active practice as such. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* § 75-76-33

*Rule 3.4 Procedures For Enrollment.* An attorney or accountant meeting the qualifications described in section 3 shall be deemed automatically enrolled at the time the attorney or accountant first appears for or performs any act of representation on behalf of a client in any matter before the Commission. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* § 75-76-33

*Rule 3.5 Enrollment For A Particular Matter*

(a) The following persons may, upon motion of an enrolled person, be admitted to practice before the Commission for the purposes of a particular case or matter:

1. Attorneys at law who have been admitted to practice before the courts of any state or territory or the District of Columbia, and who are in good standing with the court by which they are licensed.
2. Certified public accountants or public accountants who have duly qualified to practice as such in their own names, under the laws and regulations of any state or territory or the District of Columbia, and who are in good standing with the entity by which they are licensed.

(b) No person enrolled for a particular matter may practice before the Commission except in association with the enrolled person who sponsored his enrollment. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* § 75-76-33

*Rule 3.6 Suspension And Revocation Of Enrollment*

(a) A person's enrollment to practice before the Commission shall be suspended automatically without a hearing if his professional license is suspended or revoked.

(b) Any person enrolled to practice before the Commission may have his enrollment to practice suspended or revoked if, after a hearing, the Commission finds that:

1. The person made a materially false or misleading statement with regard to his application for enrollment;
2. The person willfully failed to exercise diligence in the preparation or presentation of any application, report, or other document filed with the Commission, or knowingly misrepresented any material fact to the Commission;
3. The person willfully violated or aided and abetted in the violation of any provision of the Act or these regulations;
4. The person does not possess the requisite qualifications or expertise to represent others before the Commission, lacks character or integrity, or has engaged in unethical or improper conduct.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* § 75-76-33

*Rule 3.7 Reinstatement*

(a) Any agent whose enrollment is suspended under section 6(a) shall be deemed automatically reinstated to practice before the Commission at the time he is reinstated to practice law or accounting by the applicable licensing authority.

(b) Any agent whose enrollment is suspended or revoked under section 6(b) may be reinstated by the Commission, upon application, for good cause shown. An applicant for reinstatement shall be afforded an opportunity for a hearing before the Commission on the application, and shall pay all reasonable costs of the proceeding. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* § 75-76-29

*Rule 3.8 Proof Of Authority.* The Commission may require all persons seeking to appear before it to disclose the identity of those they represent and to present proof that they are authorized to act on their behalf. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* § 75-76-33

*Rule 3.9 Effect Of Representation.*

(a) Any person represented by an attorney, accountant, agent, or other person before the Commission shall be bound by the acts or omissions of such representative to the same extent as if he had acted or failed to act personally.

(b) In any appearance by an attorney, accountant, agent, or other representative at any hearing or meeting of the Commission, the person represented shall be deemed to have waived all privileges with respect to any information in the possession of such attorney, accountant, agent, or representative, or any testimony by him, except for privileges afforded by the constitution of this state or the United States, where applicable. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* § 75-76-33

*Rule 3.10 Obligations Of Truthfulness And Diligence.*

(a) Enrolled persons shall not be intentionally untruthful to the Commission, nor withhold from the Commission any information which the Commission is entitled to receive, nor interfere with any lawful effort by the Commission to obtain such information.

(b) Enrolled persons shall exercise due diligence in preparing or assisting in the preparation of documents for submission to the Commission.

(c) Enrolled persons have a continuing responsibility on behalf of their clients to monitor the accuracy and completeness of information submitted to the Commission in any matter pertaining to their clients. Whenever an enrolled person becomes aware that information furnished to the Commission is no longer accurate and complete in any material respect, the enrolled person shall promptly furnish the Commission with appropriate supplemental and corrected information. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* § 75-76-33

*Rule 3.11 Knowledge Of Client's Omission.* An enrolled person who knows that a client has not complied with the Act or the regulations of the Commission, or that a client has made a material error in or a material omission from any application, report, or other document submitted to the Commission, shall advise his client promptly of the fact of such noncompliance, error, or omission. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* § 75-76-33

*Rule 3.12 Certification Of Documents.* Every application, report, affidavit, written argument, brief, statement of fact, or other document prepared or filed on behalf of a client represented by an enrolled person, must be signed by the enrolled person, and the signature shall be deemed to constitute a certification that the document was prepared in conformity with the requirements of the Act and regulations. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* § 75-76-33

**Part 1 Chapter 4: EMPLOYMENT OF CERTAIN PUBLIC SERVANTS**

*Rule 4.1 Prior approval required for hiring of public servant.* No licensee or applicant for a license, without prior approval of the Mississippi Gaming Commission, shall hire any public servant of the government of the State of Mississippi or its political subdivisions, whose approval is necessary for the licensee or applicant to operate or when the duties of such person pertain to the enforcement of the provisions of the Gaming Control Act. (Adopted: 06/28/1993.)

Source: *Miss. Code Ann.* § 75-76-21

*Rule 4.2 Grounds for Denial of Approval.* Approval may be denied in the following instances:

- (a) Employment deemed to be in violation of the ethics laws of the State of Mississippi;
- (b) Public servant has been instrumental in licensing or other agency approval of licensee or applicant;
- (c) Employment poses a threat to the public interest of the State of Mississippi or to the effective regulation and control of gaming;
- (d) Employment creates or enhances the dangers of unsuitable, unfair or illegal practices, methods and activities in the conduct of gaming or the carrying on of the business and financial arrangements incidental thereto; or
- (e) Any other cause deemed reasonable by the Commission. (Adopted: 06/28/1993.)

Source: *Miss. Code Ann.* § 75-76-21

*Rule 4.3 Future Employment Consideration.* The Mississippi Gaming Commission will make a determination concerning future employment within thirty (30) days after written notice is served on the Executive Director and each commissioner. Failure to make a determination within the time allotted will constitute approval. Such requests will be treated as confidential. (Adopted: 06/28/1993.)

Source: *Miss. Code Ann.* §§ 75-76-21; 75-76-61

*Rule 4.4 Future Employment Grievance.* Any public servant, licensee, or applicant aggrieved by a decision of the Mississippi Gaming Commission, regarding future employment, may request a hearing utilizing the procedural rules applicable to denial of a work permit. (Adopted: 06/28/1993.)

Source: *Miss. Code Ann.* §§ 75-76-21; 75-76-61



## **Title 13: Gaming**

### **Part 2: LICENSING**

#### **Part 2 Chapter 1: APPLICATIONS**

##### *Rule 1.1 Procedures.*

(a) In General. It is the declared policy of the State of Mississippi that all establishments where gambling games are conducted or operated must be licensed and controlled so as to better protect the public health, safety, morals, good order and welfare of its inhabitants. Any license, registration, finding of suitability, or approval by the Commission shall be deemed to be a revocable privilege and no person holding such a license, registration, finding of suitability, or approval is deemed to have acquired any vested rights therein.

(b) An application for a state gaming license or any other affirmative Commission action is seeking the granting of a privilege, and the burden of proving his qualification to receive any license, registration, finding of suitability or approval, is at all times on the applicant. The applicant must document compliance with all applicable federal, state and local rules, regulations and permit requirements. An applicant must accept any risk of adverse publicity, embarrassment, criticism, or other action, or financial loss which may result from action with respect to an application and expressly waive any claim for damages as a result thereof.

(c) An application for a license, finding of suitability, or registration, besides any other factor attaching to such an application by virtue of the Act and these regulations, shall constitute a request to the Executive Director for a recommendation and to the Commission for a decision upon the applicant's general suitability, character, integrity, and ability to participate or engage in, or be associated with, the gaming industry in the manner or position sought by the application, or the manner or position generally similar thereto; and, by filing an application with the Executive Director, the applicant specifically consents to the making of such a recommendation by the Executive Director and such a decision by the Commission at their election when the application, after filing, becomes moot for any reason other than death. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* § 75-76-63

##### *Rule 1.2 Other Commission Considerations for Licensing*

(a) In General. This chapter sets forth some criteria which the Commission will consider when deciding whether to issue a license to conduct gaming on an establishment, vessel, or cruise vessel on Mississippi jurisdiction bodies of water. The various criteria set forth may not have the same importance in each instance and other factors may present themselves in the consideration of an application for a license. The criteria are not listed in any order of priority.

(b) Revenue provided by facility. The Commission will consider the amount of revenue to be provided by the proposed facility to the state and local communities through direct taxation on its operation indirect revenues from tourism, ancillary businesses, creation of new industry, and taxes on employees and patrons.

(c) Establishment, vessel, or cruise vessel viable and properly financed. The Commission will consider whether the proposed establishment, vessel, or cruise vessel is economically viable and properly financed.

- (d) Adequate security. The Commission will consider whether the proposed establishment, vessel, or cruise vessel is planned in a manner which provides adequate security for all aspects of its operation and for the people working, visiting, or traveling on the establishment, vessel, or cruise vessel.
  - (e) Efficient and safe operation. The Commission will consider whether the proposed establishment, vessel, or cruise vessel is planned in a manner which promotes efficient and safe operation of all aspects of its facility including, but not limited to, docking facilities, all areas of establishment, vessel, or cruise vessel concession areas, and management areas.
  - (f) Efficient, safe and enjoyable for patrons. The Commission will consider whether the proposed establishment, vessel, or cruise vessel is planned in a manner which promotes efficient, safe, and enjoyable use by patrons including, but not limited to, establishment, vessel, or cruise vessel structure, parking facilities, concessions, the casino, access to cashier windows, and rest rooms.
  - (g) Compliance with applicable state and local laws. The Commission will consider whether the proposed establishment, vessel, or cruise vessel is in compliance with applicable state and local laws regarding fire, health, construction, zoning, and other similar matters.
  - (h) Employ appropriate persons. The Commission will consider whether the applicant will employ the persons necessary to operate the establishment, vessel, or cruise vessel in a manner consistent with the needs, safety, and interests of all persons who will be on the establishment, vessel, or cruise vessel.
  - (i) Population of area establishment, vessel, or cruise vessel will serve. The Commission will consider the population of the area to be served by an establishment, vessel, or cruise vessel together with location of other establishments, vessels, or cruise vessels within and without the state of whatever nature.
  - (j) Character and reputation. The Commission will consider the character and reputation of all persons identified with the ownership and operation of the establishment, vessel, or cruise vessel or licensed business, and their capability to comply with the rules of the Commission and the Mississippi Code.
  - (k) Economic development. The Commission will consider whether the proposed operation will maximize economic development.
  - (l) Tourism. The Commission will consider whether the proposed operation is beneficial to Mississippi tourism.
  - (m) Employment opportunities. The Commission will consider the number and quality of employment opportunities for Mississippians created and promoted by the proposed operation.
  - (n) Shore development. The Commission will consider the amount and type of shore developments associated with the gaming establishment, vessel, or cruise vessel project.
  - (o) Miscellaneous. The Commission will consider such other factors as may arise in the circumstances presented by a particular application.
- (Adopted: 09/25/1991; Amended: 02/23/2006.)

Source: *Miss. Code Ann.* § 75-76-63, 75-76-34, 75-76-3

### *Rule 1.3 Licenses And Other Commission Actions*

- (a) Gaming License. A license which authorizes the holder to operate a gaming establishment. A gaming license is granted for a period of no longer than three (3) years from the date of issue. A gaming license may be granted for a period of less than three (3) years within the discretion of

the Commission. At the expiration of a license, if the Commission is satisfied, after careful review of the licensee's current report, verified by the affidavit of an officer of the licensee, that there has been no substantial change in the information provided in the application for the initial license, the Commission may, upon receipt of all prescribed fees and cost, continue the license for a period no longer than three (3) years. No more than two (2) continuances may be granted for each license and any continuance of a license is subject to the Commission's power to revoke, suspend, condition or limit as if it were the initial license.

(b) *Manufacturer's License.* A license which authorizes the holder to manufacture, assemble, or modify any gaming device in the State of Mississippi or for use or play in Mississippi. A manufacturer's license is granted for a period of no longer than three (3) years from the date of issue. A manufacturer's license may be granted for a period of less than three (3) years within the discretion of the Commission. At the expiration of a license, if the Commission is satisfied, after careful review of the licensee's current report, verified by the affidavit of an officer of the licensee, that there has been no substantial change in the information provided in the application for the initial license, the Commission may, upon receipt of all prescribed fees and cost, continue the license for a period no longer than three (3) years. No more than two (2) continuances may be granted for each license and any continuance of a license is subject to the Commission's power to revoke, suspend, condition or limit as if it were the initial license.

(c) *Distributor's License.* A license which authorizes the holder to lend, lease, sell, give, or distribute in any other manner any gaming device in the State of Mississippi or outside the State of Mississippi for use or play in Mississippi. A distributor's license is granted for a period of no longer than three (3) years from the date of issue. A distributor's license may be granted for a period of less than three (3) years within the discretion of the Commission. At the expiration of a license, if the Commission is satisfied, after careful review of the licensee's current report, verified by the affidavit of an officer of the licensee, that there has been no substantial change in the information provided in the application for the initial license, the Commission may, upon receipt of all prescribed fees and cost, continue the license for a period no longer than three (3) years. No more than two (2) continuances may be granted for each license and any continuance of a license is subject to the Commission's power to revoke, suspend, condition or limit as if it were the initial license.

(d) *Registration.* A commission action which authorizes an entity to be a holding company with respect to another entity which holds or applies for a state gaming license.

(e) *Other Licenses Or Findings Of Suitability.* The Act and these regulations require or permit the Commission to require that certain persons directly and actively involved in the administration or supervision of the gaming activities of gaming licensees be found suitable to hold a gaming license so long as that involvement continues.

1. The following persons shall apply for a finding of suitability and must be found suitable by the Commission in order to be involved with a licensee:
  - i. each person who serves as Chairman of the Board of Directors of any corporation, public or private, licensed or registered by the Commission; and
  - ii. each person who has a vote on any issue before the Board of Directors of any corporation, public or private, licensed or registered by the Commission and who is also an employee of the corporation or any of its subsidiaries.
2. The following persons shall apply for a finding of suitability and may be found suitable by the Commission after review of the application:

- i. each person who serves as the Chairman of the audit or compliance committees of any corporation, public or private, licensed or registered by the Commission, and
  - ii. any executive, employee, or agent of a gaming licensee that the Commission determines as having the power to exercise a significant influence over decisions concerning any part of the operation of a gaming licensee.
3. Whenever it is the judgment of the Commission that the public interest and the policies set forth in the Act will be served by requiring any employee to be found suitable, the Commission shall serve notice of such determination upon the licensee. The Commission shall not be restricted by the title of the job performed but shall consider the functions and responsibilities of the person involved in making its decision as to suitability status. Examples shall include, but are not limited to, persons acting in the capacity of a property level general manager, assistant general manager, or executive level personnel actively and directly engaged in the administration or supervision of the activities of a licensee. Grounds for requiring suitability of an executive, employee or agent which are deemed to serve the public interest and the policies of the Act include but are not limited to the following:
  - i. the individual is new to the industry, to the particular gaming establishment, or the position, and has significant influence and control and the Commission has little or outdated information concerning his or her character, background, reputation or associations; or
  - ii. information has been received by the Commission which, if true, would constitute ground for a finding of suitability to be associated with a gaming enterprise.
4. The licensee shall, within thirty (30) days of placing an employee into a position as described above shall present notification to the Executive Director who shall inform the licensee whether the application for a finding of suitability is necessary. Failure of the licensee to respond as required by this section shall constitute grounds for disciplinary action.
5. Any individual whose application for finding of suitability is required pursuant to this regulation may request the Commission in writing to review its determination of that individual's status within the gaming organization any time within ten (10) days following the filing of a completed application as required by this regulation. In the event the Commission determines that the applicant is not required to be found suitable or that the public interest and policies of the Act do not require the finding of suitability of the individual at the time, then the applicant shall be allowed to withdraw his application and he may continue in his employment.
6. An applicant for a finding of suitability has the burden of proving his qualification to receive and maintain a finding of suitability pursuant to Mississippi Code Annotated § 75-76-67. If the nature of the job changes from that for which the applicant is found suitable, he may be required to submit himself to a new determination of his suitability.
7. A finding of suitability is granted for a period of no longer than ten (10) years from the date of issue. A finding of suitability may be granted for a period of less than ten (10) years within the discretion of the Commission.

- i. A holder of a finding of suitability must file with the Investigations Division of the Commission the “Investigations Division Annual Report”, providing all information requested on forms provided by the Commission, and any other information requested by the Executive Director. Such “Investigations Division Annual Report” shall be due by June 30<sup>th</sup> of each year, with the exception of the calendar year the license is granted.
- ii. A holder of a finding of suitability shall immediately inform the Commission of any arrest or conviction.

(f) Any executive, employee, or agent of a gaming licensee who is listed or should be listed in the annual employee report may be required to apply for a finding of suitability at the direction of the Commission.

(g) Approvals. The Mississippi Gaming Control Act and these regulations require commission approval for certain acts of licensees or transactions directly or indirectly involving licensees. Such approvals by themselves do not constitute the licensing or a finding of suitability of any person involved, but merely an approval for the particular transaction involved. The Executive Director shall have complete discretion in determining whether to grant prior approval for a contract or agreement which would otherwise be prohibited under Miss. Code Ann. §75-76-61(5), or an employment relationship which would otherwise be prohibited under Miss. Code Ann. §75-76-61(6). Notwithstanding the foregoing, however, no such prior approval shall be granted unless the Commission has previously given unanimous approval of the contract, agreement or employment relationship.

(h) Gaming Site Approval and Approval to Proceed with Development. The Commission may, in its discretion, grant approval of gaming sites. The Commission has divided the approval process into two separate phases:

1. Gaming site approval; and
2. Approval to proceed with development.

Source: *Miss. Code Ann. § 75-76-63*

*Rule 1.4 Gaming Site Approval.* With respect to gaming site approval, approval constitutes only the Commission’s finding that the location complies with applicable gaming laws and regulations. Gaming site approval does not entitle the recipient to approval to proceed with development, nor does it constitute a license to engage in gaming or a right to a gaming license. Gaming site approval is a revocable privilege, and no holder acquires any vested right therein. The Mississippi Gaming Commission reserves the right to revoke any site approval should the circumstances change that would make the site illegal or unsuitable. When presenting for approval the applicant’s application for gaming site approval, the following information, together with evidence satisfactory to the Commission in support thereof, must be included:

- (a) A survey indicating the specific location of the property.
- (b) The current use of any adjacent property as well as the location of the nearest residential area, church and school.
- (c) Evidence that all applicable zoning ordinances allow gaming at the proposed site.
- (d) A survey establishing the mean high water line must be provided at the time gaming site approval is given which is performed by a qualified surveyor for performance of tidal surveys.

This provision is only applicable for proposed gaming sites located in the three (3) most southern counties in the State of Mississippi. Gaming establishments in the three (3) most southern counties in the State of Mississippi are permitted to be permanent inland structures. No point in the gaming area may be more than eight hundred (800) feet from the nineteen (19) year mean high water line. Harrison County establishments south of Highway 90 may exceed the eight hundred (800) foot measurement up to the southern boundary of Highway 90. All public easements and rights-of-way for public streets and highways shall be excluded from the eight hundred (800) foot measurement. Any point of reference used to determine the 800 foot distance from the mean high water line must be located on the applicant or licensee's premises. The applicant or licensee must own and /or lease the land that is contiguous both to the parcel used to conduct gaming and the point of reference used to determine the mean high water line, and this land must be shown to be an integral part of the project. The Commission has final authority in reviewing and approving each site as it pertains to meeting the requirements of this regulation

Source: *Miss. Code Ann.* §§ 75-76-225; 75-76-209 ; 75-76-27; 75-76-79; 75-76-33; 75-76-79;

*Rule 1.5 Approval to proceed with development.* With respect to obtaining the Commission's approval to proceed with development, the following information, together with documentation to support this information, shall be submitted to the Commission:

(a) Architectural plans or renderings showing details of all proposed construction and renovation for the project, together with a footprint of the project. Include a description of the construction and type of parking facilities, as well as parking lot capacity. Commission approval requires that the project include a 500-car, or larger parking facility in close proximity to the casino complex, and infrastructure facilities shall include a 300-room, or larger hotel of at least a three diamond rating as defined by an acceptable travel publication to be determined by the Commission. In addition, infrastructure facilities must include a restaurant capable of seating at least 200 people and a fine dining facility capable of seating at least 75 people, and the casino floor must be at least 40,000 square feet. The project will also have or support an amenity that will be unique to the market and will encourage economic development and promote tourism. The Commission will have authority in determining the quality of the amenity and the ultimate approval of the amenity, and may in its discretion reduce the requirements above should it determine that there is a justification to do so in certain markets. The Commission will further determine, in its discretion, if the prerequisite hotel and dining facilities may be supplanted by an amenity of high value to the overall tourism market in that the amenity will likely encourage economic development and promote tourism. As used herein, infrastructure facilities are not such items as parking facilities, roads, sewage and water systems, or civic facilities normally provided by cities and/or counties. The qualifying infrastructure must be owned or leased by (i) the holder of the site approval, or (ii) an affiliated company of the holder of the site approval where both the affiliated company and the holder of the site approval have identical direct or indirect equity ownership. This regulation shall apply to any new applicant for a gaming license for a new gaming facility and to the acquisition or purchase of a licensee or gaming facility for which gaming operations have ceased prior to the time of acquisition or purchase. This regulation, however, shall not apply to any licensee which has been licensed by the Commission, or to any person which has received Approval to Proceed with Development from the Commission, prior to December 31, 2013. (or to such licensee upon any licensing renewal after such date). Any change to the plan, or placement or design of the establishment, cruise vessel or

vessel, shall be submitted in advance to the Executive Director for determination of whether such a change constitutes a material change. If the Executive Director determines that a material change has occurred, Commission approval is required for the same.

(b) Statements reflecting the total estimated cost of construction or renovation of the establishment, vessel, or cruise vessel and shore and dock facilities, distinguishing between known costs and projections, and separately identifying:

1. Facility design expense;
2. Land acquisition costs;
3. Site preparation costs;
4. Construction costs or renovation costs;
5. Equipment acquisition costs;
6. Cost of interim financing;
7. Organization, administrative and legal expenses;
8. Projected permanent financing costs;
9. Qualified infrastructure costs; and
10. Non-qualifying infrastructure costs.

(c) A construction schedule for completion of the project, including an estimated date of project completion. Indicate whether a performance bond will be required by the applicant to be furnished by the contractor.

(d) Current financial statements, including, at a minimum, a balance sheet and profit and loss statement for the proposed licensee.

(e) A detailed statement of the sources of funds for all construction and renovation proposed by the site development plans. Any funding, whether equity or debt, to be obtained must be supported by firm written commitments satisfactory to the Commission. The applicant will have 120 days in which to close all financing and start construction or the approval is deemed void.

(f) Evidence that the following agencies (if applicable) were notified of the development and/or do not oppose the site development:

1. U.S. Corps of Engineers
2. U.S. Coast Guard
3. Mississippi Department of Transportation
4. Mississippi Department of Environmental Quality
5. Department of Marine Resources
6. Port and Harbor Commission
7. Levee Board
8. City and County government
9. Such other agencies as the Executive Director deems appropriate.

The application for a Gaming Operator's License shall be filed no later than ninety (90) days after the Commission grants approval to proceed with development. The gaming site approval will expire three (3) years from the date approval to proceed with development is granted unless

the Commission grants an extension. Approval to proceed with development is not subject to sale, assignment or transfer.

Source: *Miss. Code Ann.* §§ 75-76-61, 75-76-77, 75-76-27, 75-76-45

*Rule 1.6 Opening of a Casino.* Before any gaming facility may open to the public, all infrastructure requirements must be fully operational. The development shall be completed in accordance with the approved plan and be ready for operation within the gaming site approval time period. Gaming site approval may be extended, within the discretion of the Commission. These amendments shall apply to all existing, pending, renewal and new applicants for a gaming site approval and approval to proceed with development. (Adopted: 09/25/1991; Amended: 10/13/94; Amended: 07/23/2003; Amended: 02/23/2006; Amended 06/21/2007.)

Source: *Miss. Code Ann.* §§ 75-76-77; 75-76-61

*Rule 1.7 Compliance review and reporting system.*

(a.) Whenever the Commission is acting upon any application of a licensee or registrant, or pursuant to its powers provided in *Miss. Code Ann.* §75-76-103, and if the Commission determines that circumstances exist which require additional management review by a licensee or registrant, the Commission may impose a condition upon any license or order of registration to require implementation of a compliance review and reporting system by the licensee or registrant.

(b.) The terms of the condition may include, but shall not be limited to:

1. That the condition shall expire on a certain date or after a designated period of time without commission action;
2. That the condition may be administratively removed by the Executive Director should a specified activity cease or a specified event occur; or
3. That a periodic review shall be conducted by the Executive Director and upon such review the Executive Director may recommend and the Commission may remove or continue the required condition.

(c.) Notwithstanding the provision of paragraph (b) above, upon application, a licensee or registrant may request modification or removal of the condition imposed and the Commission may, after considering the recommendation of the Executive Director, modify or remove the condition.

(d.) The compliance review and reporting system shall be created for the purpose of monitoring activities relating to the licensee's or registrant's continuing qualifications under the provisions of the Act and regulations of the Commission in accordance with a written plan to be approved by the Executive Director administratively or as otherwise ordered by the Commission.

(e.) The written plan must provide for the operation of the compliance review and reporting system and must designate who shall be responsible for said system. The plan must provide for involvement of at least one person knowledgeable of the provisions of the Act and the regulations of the Commission. The plan must require periodic reports to senior management of the licensee or registrant. Such reports shall be advisory and the licensee or registrant shall maintain responsibility for compliance with the Act and regulations of the Commission. Copies of the reports must be provided to the Commission.



(f.) The activities to be monitored must be set forth in the written plan and must be determined by the circumstances applicable to the licensee or registrant. Without limitation, the activities that may be required to be monitored pursuant to the compliance review and reporting system include the following:

1. Associations with persons denied licensing or other related approvals by the Commission or who may be deemed to be unsuitable to be associated with a licensee or registrant;
2. Business practices or procedures that may constitute grounds for denial of a gaming license or registration;
3. Compliance with other special conditions that may be imposed by the Commission upon the licensee or registrant;
4. Review of reports submitted pursuant to the Act and regulations of the Commission;
5. Compliance with the laws, regulations, or orders of duly constituted governmental agencies or entities having jurisdiction over the gaming affairs, or such other business activities which the
6. Executive Director or the Commission may deem necessary or proper, of the licensee, the registrant, or its affiliates; and
7. Review of such other activities determined by the Commission as being relevant to the licensee's or registrant's continuing qualifications under the provisions of the Act and the regulations of the Commission. (Adopted: 9/25/1991; Amended: 08/18/1994; Amended: 10/22/1998; Amended: 11/19/1998; Amended: 01/21/1999; Amended: 11/18/1999; Amended: 01/18/2001; Amended: 07/23/2003; Amended: 10/27/2005; Amended: 02/23/2006.)

Source: *Miss. Code Ann.* §§ 75-76-61, 75-76-63, 75-76-77 , 75-76-103

*Rule 1.8 Information Required; Failure To Provide Complete And Accurate Information Constitutes Grounds For Delay Or Denial Of Application; Amendments.*

(a) In addition to the information required by *Miss. Code Ann.* § 75-76-73, an applicant shall provide to the Executive Director, on forms furnished by the Executive Director, complete information regarding the proposed operation, including but not limited to, a certification that any establishment, vessel or cruise vessel to be used by the proposed operation has been inspected and approved by all appropriate authorities as soon as such certification is complete, fingerprints of each individual applicant, the nature, source, and amount of any financing, the proposed uses of all available funds, the amount of funds available after opening for the actual operation of the establishment, and economic projections for the first three (3) years of operation of the establishment. In addition, the applicant shall provide complete information regarding his or her background for the ten year period preceding submission of the application.

(b) In all cases in which the premises to be used for the proposed operation are not wholly owned by the applicant, the applicant shall provide to the Executive Director complete information pertaining to the interest held by any person other than the applicant, including the name and address of the owner or owners of the premises, a copy of all agreements entitling the applicant to possession of the premises and such other information as the Executive Director may require.

(c) Pursuant to *Miss. Code Ann.* §75-76-73, the Commission or the Executive Director may require an applicant to provide such other information and details as they need to discharge their duties properly. Failure to supply any information promptly after receiving the Executive

Director's or the Commission's request constitutes grounds for delaying consideration of the application or for denial.

(d) It is grounds for denial of an application or disciplinary action for any person to make any untrue statement of material fact in any application, or in any statement or report filed with the Executive Director or Commission, or willfully to omit to state in any such application, statement or report any material fact which is required to be stated therein, or which is necessary to make the facts stated not misleading.

(e) All information included in an application must be true and complete as of the dates submitted and an applicant shall promptly supply by amendment, any information based on facts occurring after the original application so as to make such information not misleading as of the dates of any action taken by the Executive Director and the Commission.

(f) An application may be amended in any respect by leave of the Executive Director at any time prior to final action thereon by the Commission. Any amendment to an application shall have the effect of establishing the date of such amendment as the filing date of the application with respect to the time requirements for action on the application. Request for amendment to an application must be in writing.

(Adopted: 9/25/1991; Amended: 02/23/2006.)

Source: *Miss. Code Ann.* §§ 75-76-63, 75-76-67, 75-76-73

*Rule 1.9 Additional Application Information Required.*

Every application to become a license holder shall contain the following additional information:

(a) Give actual establishment, vessel, or cruise vessel blueprints, including a layout of each floor stating the projected use of each area.

(b) State whether the establishment, vessel, or cruise vessel has been or will be certified by the United States Coast Guard, if applicable.

(c) Set forth the proposed route to be taken, identifying the body of water, and include any relevant Army Corps of Engineer data or Mississippi Departments of Environmental Quality and the Department of Wildlife, Fisheries and Parks data on that body of water.

(d) State the number of miles from the nearest population center, and describe briefly the transportation facilities serving that population's center.

(e) Describe the casino size and configuration of slot machines, video games of chance and table games.

(f) State the availability of fire protection and the adequacy of law enforcement on the establishment, vessel, or cruise vessel, both at the docking facilities and along the proposed excursion route. Provide emergency evacuation plans for hurricane and flooding disasters.

(g) Describe the arrangements for food and drink concessions, indicating the names and addresses of concessionaires and the terms of the concession contracts, if applicable.

(h) Indicate the type of slot machines and video games of chance to be used; also, indicate the proposed distributors and manufacturers of this equipment.

(i) Describe the physical location, size and floor plan of the section of the establishment, vessel, or cruise vessel reserved for patrons under 21 years of age. Provide plans for activities and staffing of this section.

(j) Indicate establishment, vessel, or cruise vessel days and periods of time that the gaming areas will be in operation.

(k) Describe the proposed management of the facility, management personnel by function, and tip distribution policies.

(l) Include any and all known feasibility studies made available to the applicant which have been done on the type of gaming in the particular locale where the applicant intends to conduct gaming.

(m) Describe procurement policies that emphasize the utilization of Mississippi employees, resources, goods and services in the operation of the gaming establishment, vessel, or cruise vessel.

(Adopted: 9/25/1991; Amended: 7/ 23/2003; Amended: 02/23/2006.)

Source: *Miss. Code Ann.* §§ 75-76-63, 75-76-67, 75-76-73

*Rule 1.10 Separate Applications For Each Establishment.* Separate applications are required for each establishment for which a gaming license is sought, irrespective of the ownership of such establishment.

(Adopted: 9/25/1991.)

Source: *Miss. Code Ann.* § 75-76-73

*Rule 1.11 Application And Investigative Fees*

(a) Simultaneously with the submission of its application for a gaming license, the applicant shall pay a non-refundable application fee of Five Thousand Dollars (\$5,000.00) along with all other fees provided for in the Gaming Control Act. These fees shall be payable to the Mississippi Department of Revenue.

(b) An applicant for any subsequent gaming license, continuance of a gaming license, finding of suitability, registration, approval, or other license pertaining to a particular establishment shall pay such investigative fees and costs as determined by the Executive Director. Any licensee which is the subject of a periodic compliance investigation shall pay such investigative fees and cost as determined by the Executive Director. The Executive Director shall estimate the investigative fees and costs and may require a deposit to be paid by the applicant or licensee in advance as a condition precedent to beginning or continuing an investigation. If, at any time, the Executive Director determines that the investigative fees and costs are likely to exceed the deposits paid by the applicant or licensee, the Executive Director may require additional deposits.

(c) The Executive Director and Commission will not take final action to approve any application unless all application and investigative fees and costs have been paid in full. The Executive Director may recommend denial and the Commission may deny the application if the applicant has failed or refused to pay all application and investigative fees and costs.

(d) Upon final action on the application, the Executive Director shall give to the applicant an itemized accounting of the investigative fees and costs incurred. The Executive Director shall refund to any applicant who made deposits pursuant to Subsection (b) of this Regulation, any balance remaining in the investigative account of the applicant after all investigative fees and costs have been paid.

(Adopted: 09/25/1991; Amended: 11/18/1999.)

Source: *Miss. Code Ann.* §§ 75-76-183, 75-76-189, 75-76-183, 75-76-177

*Rule 1.12 Timetable for Financing and Construction*

(a) License applicants shall submit, simultaneously with submission of their completed application, a timetable for financing arrangements (including applications for approval of public offerings or private placements), and commencement and completion of construction activities and setting forth the date upon which gaming activities will commence. This timetable will be subject to approval by the Commission, and monitored for compliance by the Executive Director.

(b) The Commission may grant extensions of time upon the recommendation of the Executive Director.

(c) License applicants shall not advertise or promote the opening of their proposed casino nor the commencement of employee training for that proposed casino until the applicant is granted a license by the Mississippi Gaming Commission. After the granting of a license, the licensee may advertise or promote the opening of their casino and/or the commencement of employee training for that casino. Applicants may request a waiver of this regulation from the Executive Director stating compelling reasons for an exception to this regulation. The granting of any waiver by the Executive Director shall be subject to revocation.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* §§ 75-75-187, 75-76-175, 75-76-93

*Rule 1.13 Withdrawal Of Application*

(a) A request for withdrawal of an application may be made at any time prior to final action upon the application by the Commission by filing a written request to withdraw with the Executive Director.

(b) The Executive Director may, in his discretion, deny the request, or grant the request with or without prejudice. If the request is denied or granted with prejudice, the applicant may appeal to the Commission within ten (10) days of the Executive Director's decision.

(c) If a request for withdrawal is granted with prejudice, the applicant is not eligible to apply again for licensing or approval until after expiration of one (1) year from the date of such withdrawal.

(d) The Executive Director shall notify the applicant in writing whether its request for withdrawal has been granted with or without prejudice or denied.

Source: *Miss. Code Ann.* §§ 75-76-23, 75-76-67, 75-76-63

**Part 2 Chapter 2: QUALIFICATIONS**

*Rule 2.1 Criteria for Cruise Vessels and Vessels.*

(a) Cruise Vessel:

1. Complies with all U.S. Coast Guard regulations;
2. Has a minimum overall length of one hundred fifty feet (150');
3. Has a minimum draft of six feet (6'); and
4. Is certified by the U.S. Coast Guard to carry at least two hundred (200) passengers.

(b) Vessel:

1. For purposes of the Mississippi Gaming Control Act, includes every

2. description of floating watercraft or other floating artificial contrivance;
3. Has a minimum overall length of one hundred fifty feet (150');
4. Shall comply with all state and local safety and health ordinances and/or regulations.

(Adopted: 11/14/1990; Amended: 07/16/1998.)

Source: *Miss. Code Ann.* § 7576-67

#### *Rule 2.2 Location*

(a) The legislature has declared gaming operations legal if licensed by the Commission and conducted upon establishments, vessels and cruise vessels located in certain statutorily described areas where voters have not voted to prohibit gaming. The Commission, as authorized by law and in conformity with the power and responsibility vested in it by the legislature, finds that gaming licensees may operate at the following locations. Nothing in this section shall act to prevent the Commission from denying a gaming license or preliminary site approval based on the unsuitability of a particular site.

1. Cruise Vessels. Waters within the State of Mississippi which lie adjacent to the three (3) most southern counties of the State. In addition to the Mississippi Sound, this would include St. Louis Bay, Biloxi Bay and Pascagoula Bay. However, the rivers, bayous, lakes and back bays leading into these bays, including but not limited to the Jourdan River, Wolf River, Bernard Bayou, Tchoutacabouffa River, Pascagoula River and Escatawpa River, Biloxi River, Big Lake and Back Bay of Biloxi are not within the authorized area. In determining where the river ends and the bay begins, an imaginary line shall be drawn from the foremost land mass at the intersection of the river and bay, straight across the river to the foremost land mass of the intersection on the other side. In determining where Back Bay of Biloxi ends and Biloxi Bay begins, an imaginary line shall be drawn beginning at a point 1200 feet west of the center line of Interstate 110 on the northern shore to a point on the center line of Interstate 110 on the southern shore.
2. Vessels. Vessels must be on the Mississippi River or navigable waters within any county bordering on the Mississippi River when such navigable waters run into the Mississippi River. Navigable waters mean any rivers, creeks, bayous or other bodies of water that are used or susceptible of being used as an artery of commerce and which either in their natural or improved condition are used or suitable for use as an artery of commerce or are used for the docking or mooring of a vessel, notwithstanding interruptions between the navigable parts of such rivers, creeks, bayous or other bodies of water by falls, shallows, or rapids compelling land carriage. Vessels may be located (1) on the Mississippi River, including oxbow lakes immediately adjacent to the Mississippi River, that communicate with the Mississippi River and are characterized by currents which reverse seasonally, running one direction when the Mississippi River rises, and the opposite direction when it falls, and (2) on navigable waters.
  - i. "Navigable Waters" are defined as rivers, creeks, bayous or other naturally occurring bodies of water that, at the time of application and prior to improvements to accommodate a vessel empty into the Mississippi River in the county where the applicant casino is located; are located within a county where gaming is legal, in other words, do not border a county where gaming is illegal; are used or susceptible of being used as an artery of commerce for substantial commercial traffic; either in their natural or improved condition are used or suitable for use as an artery of

- commerce for substantial commercial traffic or are used for docking or mooring of a vessel; and are of a sufficient depth and width at least thirty (30) days of the calendar year to accommodate a vessel of at least 150' in length and the proposed width of the applicant vessel.
- ii. Naturally occurring interruptions between the navigable parts of such rivers, creeks, bayous or other bodies of water by falls, shallows, or rapids compelling land carriage do not deprive it of its classification of navigable. Artificial impediments to navigation for substantial commercial traffic do not deprive rivers, creeks, bayous or other bodies of water of their status as navigable.
  - iii. In accordance with the above, vessels must be west of the main line levee that runs from the border between the states of Mississippi and Tennessee to the end of the main line levee in Warren County and west of the naturally occurring levee system or bluffs from Warren County to the border between Wilkinson County, Mississippi and West Feliciana Parish, Louisiana, except vessels may be located on the Yazoo River within Warren County and the Big Black River where it forms the border between Warren and Claiborne Counties.
3. Establishments. The part of the structure in which licensed gaming activities are conducted is located entirely in an area which is located no more than eight hundred (800) feet from the mean high-water line (as defined in Section 29-15-1) of the waters within the State of Mississippi, which lie adjacent to the State of Mississippi south of the three (3) most southern counties in the State of Mississippi, including the Mississippi Sound, St. Louis Bay, Biloxi Bay and Pascagoula Bay, or, with regard to Harrison County only, no farther north than the southern boundary of the right-of-way for U.S. Highway 90, whichever is greater; and In the case of a structure that is located in whole or part on shore, the part of the structure in which licensed gaming activities are conducted shall lie adjacent to state waters south of the three (3) most southern counties in the State of Mississippi, including the Mississippi Sound, St. Louis Bay, Biloxi Bay and Pascagoula Bay. When the site upon which the structure is located consists of a parcel of real property, easements and rights-of-way for public streets and highways shall not be construed to interrupt the contiguous nature of the parcel, nor shall the footage contained within the easements and rights-of-way be counted in the calculation of the distances specified in the above paragraph.
  4. The Executive Director may make a recommendation to the Commission regarding the qualification of a location for gaming operations upon the request of an applicant for an operator's license or upon a finding by the Executive Director that such determination is necessary and in accord with public policy.
  5. These amendments shall apply to all existing, pending, renewal and new applicants for a license or preliminary site approval. (Adopted: 11/14/1990; Amended: 12/12/1990; Amended: 07/16/1998; Amended: 04/26/2001; Amended: 07/23/2003; Amended: 02/23/2006.)

Source: *Miss. Code Ann.* §§ 75-76-3, 75-76-29, 75-76-33

*Rule 2.3 Unsuitable Locations.* The Executive Director may recommend that an application for a license be denied if the Executive Director believes that the place or location for which the license is sought is unsuitable for the conduct of gaming operations. The Commission may deny

an application for a state gaming license if it deems that the place or location for which the license is sought is unsuitable for the conduct of gaming operations. Without limiting the generality of the foregoing, the following places or locations may be deemed unsuitable:

(a.) Premises located within the immediate vicinity of residential areas, churches, schools and children's public playgrounds.

(b.) Premises where gaming is contrary to any county or city, ordinance, including, but not limited to, zoning ordinances restricting the permissible locations for gaming facilities, so long as such ordinances do not have the effect of absolutely excluding or prohibiting legal gaming;

(c.) Premises which fail to meet federal, state or local health and safety standards, and any other applicable laws or regulations including, but not limited to Coast Guard regulations.

(d.) Premises frequented by minors. The Executive Director may recommend and the Commission may determine that premises frequented by minors are nevertheless suitable if the applicant demonstrates that it has taken sufficient precautions to separate areas of the premises frequented by minors from the gaming operation.

(e.) Premises lacking adequate supervision or surveillance.

(f.) Premises difficult to police, or where adequate fire protection may be difficult.

(g.) Any other premises where the conduct of gaming would be inconsistent with the public policy of the State of Mississippi.

(h.) The Legislature has declared certain public policy relating to gaming. In response to these directives, the Mississippi Gaming Commission has adopted certain rules as guidelines to adhere to this policy.

(i.) The Commission, in conformity with this policy and guidelines in its rules and regulations when determining suitability of a site in which primary access is from a foreign jurisdiction, finds that:

1. Access to any site on the west side of Mississippi River would require primary access from a foreign jurisdiction;
2. Revenues from tourism and ancillary business would by necessity adhere to jurisdictions other than Mississippi;
3. The population of the area served would be substantially non-Mississippi;
4. It would not maximize economic development of Mississippi;
5. Is not beneficial to Mississippi tourism;
6. Employment opportunities would serve other than Mississippians;
7. Shore developments would substantially be on foreign jurisdictions;
8. Fire and police protection would fall on the shoulders of the foreign jurisdiction due to the inaccessibility of the site. There would be an undue burden on the Commission to strictly regulate as dictated by the Legislature.
9. Any establishment that must be accessed by agents traveling through foreign jurisdictions, frequently, if not daily, puts an unacceptable burden on that agent as well as the State. The lost time through travel is a highly inefficient use of state assets and additionally requires the agent to abandon on a daily basis the protection afforded to him by the state and submit to the laws of the foreign jurisdiction. The Mississippi Gaming Commission therefore declares it to be the policy of the Commission that any location that requires primary access from foreign jurisdictions to be unsuitable for a gaming establishment. (Adopted: 09/25/1991; Amended: 10/13/1994.)

Source: *Miss. Code Ann.* §§ 75-76-29, 75-76-57

### *Rule 2.4 Safety Standards*

(a) Fire Safety Standards. Any establishment to be constructed for dockside gaming that will be permanently moored or on a land based structure, will be required to meet (1) the fire safety standards of the Mississippi Fire Prevention code, Section 45-11-101, (2) additional requirements for places of amusement as listed in Sections 45-11-21 through 45-11-55 of the Mississippi Code, (3) the fire safety standards contained in the National Fire Protection Association ("NFPA") Standard 307, Standard for the Construction and Fire Protection of Marine Terminals, Piers, and Wharfs, and (4) the NFPA Life Safety Code. However, to the extent local fire safety standards exceed the foregoing standards, the local standards must be followed.

(b) Certification of Passenger - Carrying Capacity.

1. A stability test shall be conducted by the licensee in accordance with 46 CFR, Subchapter S, Part 170, Subpart F. This test shall be witnessed by the American Bureau of Shipping, or such other regulatory and review agency designed by the Commission. In lieu of a stability test, the licensee may elect to perform a Deadweight Survey to determine the Lightweight Displacement and Longitudinal Center of Gravity. The Vertical Center of Gravity shall be determined by a conservative estimate, subject to approval by the American Bureau of Shipping or such other regulatory and review agency designated by the Commission.

2. The intact stability characteristics for each vessel must comply with the following criteria:

i. 46 CFR, Subchapter S, Part 170, Subpart E; Sections 170.160, 170.170 and 170.173.

ii. In lieu of compliance with 170.173, the licensee may elect to comply with alternate criteria for Vessels of Unusual Proportion and Form, as may be acceptable to the United States Coast Guard at that time, for certified passenger vessels.

iii. 46 CFR Subchapter S, Part 171, Subpart C, Section 171.050.

3. All permanently moored vessels shall be required to comply with a one-compartment standard of flooding, as outlined in 46 CFR 171.070, regardless of the passenger capacity of the vessel.

4. All permanently moored vessels shall be required to comply with Damage Stability Standards of 46 CFR, Subchapter S, Part 171, Subpart C, Section 171.080. Additionally, all vessels must comply with requirements for Stability After Damage (Damage Righting Energy Criteria) as may be acceptable to the United States Coast Guard at that time, for certified passenger vessels.

5. All stability calculations required in Items 1-4 above shall be furnished by the licensee to the American Bureau of Shipping (ABS) or such other regulatory and review agency designated by the Commission, for review and approval by that agency. All vessels must have a letter from the designated agency stating compliance with the above criteria.

6. Additionally, a periodic annual survey shall be conducted of casino vessels to determine if structural changes exist which may affect the stability of the vessel. The survey shall consist of the following:



- i. General inspection of the superstructure and layout of outfitting to ensure there are no changes to the approved arrangement that may affect the stability of the vessel;
- ii. Inspection of the underdeck spaces to ensure watertight integrity of the vessel is maintained;
- iii. Inspection and report on the condition of the hull and watertight bulkheads;
- iv. Inspection and report on the condition of water tight doors and water tight bulkhead penetration; and
- vi. Inspection and report on the condition of ventilator, hatch covers and manhole covers. The periodic annual survey does not apply to American Bureau of Shipping classed vessels and United States Coast Guard Certified Vessels that are subject to their regulatory inspections.

7. Building Standards - Any establishment to be constructed for gaming will be required to meet the Southern Standard Building Code. If the local county or city has a building code, then the local code will be the applicable standard.

8. Licensee shall be required to obtain a license to operate a child care facility from the Mississippi State Department of Health prior to providing child care for patrons or employees.

(Adopted: 09/25/1991; Amended: 06/28/93; Amended 02/23/2006.)

Source: *Miss. Code Ann. § 75-76-3*

*Rule 2.5 Home Port; Excursions*

(a) Whenever any person intends to apply for a gaming license pursuant to the Act, he shall file a notice of intent to apply for a gaming license with the Commission.

(b) The notice of intent must completely and accurately describe the proposed gaming establishment, including its size, the number and types of games to be operated, the vessel's home port, whether the vessel will make excursions and, if so, the approximate routes, frequency, and duration of such excursions. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-73*

*Rule 2.6 Change Of Vessel, Location, Home Port Or Excursions.*

A licensee shall not change its establishment or its vessel, the location of its establishment or vessel, home port of its vessel, or the routes, frequency, or duration of any excursions without the prior approval of the Commission. Notwithstanding the foregoing, the Executive Director may allow a licensee to temporarily change the routes, frequency, or duration of excursions pending final approval by the Commission. (Adopted: 09/25/1991; Amended: 02/23/2006.)

Source: *Miss. Code Ann. § 75-76-29*

*Rule 2.7 Officials Not To Hold Gaming Licenses Or Related Approvals.*

(a) Prohibition. No state gaming license, finding of suitability, or approval, the granting of which requires an application to be made to the Commission, shall be held by nor granted to any person holding office in, or employed by, any agency of the State of Mississippi or any of its political

subdivisions when the duties of such office or agency pertain to the enforcement of the provisions of the Act.

(b) Inclusions. This regulation applies specifically, but without limitation, to the following categories of persons in gaming enforcement:

1. Persons affiliated with the attorney general's office of the State of Mississippi;
2. Persons affiliated with any district attorney's office within the state;
3. Persons affiliated with any sheriff's office or police department within the state;
4. Members, agents, or employees of the Commission;
5. Any member of the judiciary; or
6. Any local City or County officials.

(c) Waivers. The Commission may waive the prohibition contained within subsection (a) of this regulation if it makes a written finding that such waiver is not inconsistent with the state policy set forth in the Act, and the functions, duties, or responsibilities of the person otherwise restricted from holding the license, finding of suitability, or approval do not involve matters relating to the enforcement of the provisions of the Act.

(d) Non-transferability Of Waivers. A waiver granted pursuant to this section is applicable only to the specific matter for which it is granted and shall not be transferable to any other license, finding of suitability, or approval applied for or held by the person otherwise prohibited from holding or being issued the same. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. §§ 75-76-63, 75-76-67*

*Rule 2.8 Licensing Of A Natural Person Under The Age Of Twenty-One.*

The Commission will not ordinarily grant a state gaming license or finding of suitability to an individual under twenty-one years of age. This policy would not affect the licensing or finding of suitability of a trust where the settlor or beneficiary is under the age of twenty-one years. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-155*

*Rule 2.9 Notice To County Or Municipality; Objection By County Or Municipality.*

(a) Whenever the Commission receives a completed application for a gaming license proposing to operate a gaming establishment in a particular county or municipality, the Executive Director shall, within ten (10) days after receipt of the application, notify the board of supervisors of the county and, if applicable, the chief executive of the municipality, in which the proposed operation will be located, of the receipt of the application, and specify the name of the applicant and the proposed location for the gaming establishment.

(b) The county or municipality in which the applicant proposes to operate a gaming establishment may file a duly enacted resolution specifying any objections or endorsements with the Executive Director within thirty (30) days after receipt of the notice provided by the Executive Director pursuant to sub-part (a) above. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. §§ 75-76-61, 75-76-63*

*Rule 2.10 Hurricane Preparedness Policy.* It is the policy of the Mississippi Gaming Commission to require, as a condition of licensure, that cruise vessels utilized for gaming on the Mississippi Gulf Coast, in the Biloxi Bay or in the Bay of St. Louis, that are not self-propelled, to be moored to withstand a Category 4 hurricane with 155 mile per hour winds and 15 foot tidal surge. Casinos will be required through their State license or relicense application to follow emergency declarations made by local or State emergency management officials. (Adopted: 10/13/94; Amended: 02/23/2006.)

Source: *Miss. Code Ann. § 75-76-3*

*Rule 2.11 Hurricane Emergency Procedure - Casino Operations.*

(a) DEFINITIONS. As used in this regulation.

1. EMERGENCY MANAGEMENT DIRECTOR/COORDINATOR:

The individual in the local area responsible for coordination and leadership in developing civil preparedness and emergency management.

2. EMERGENCY OPERATIONS CENTER:

A central location used by command and control agencies or personnel. Usually located in a hardened building to increase protection for personnel.

(b) IDENTIFICATION OF AGENCIES AND ABBREVIATIONS.

As used in this regulation.

1. BVA - Bill Validator Acceptors.

2. EOC - Emergency Operations Center.

3. MEMA - Mississippi Emergency Management Agency.

4. MGC - Mississippi Gaming Commission.

(c) GENERAL. This regulation requires that establishments and cruise vessels utilized for gaming effected by Section 10, Hurricane Preparedness Policy, shall be subject to this regulation. The purpose of this regulation is to describe the requirements casino management shall incorporate into their company emergency plan for use in closing and reopening the casino establishments, or cruise vessels in the event of a hurricane situation. In order to provide the most effective response to hurricane threats, coordination shall be through the MGC. This office will be in close and constant contact with MEMA and local Emergency Management through the Harrison County Emergency Operations Center. In the event of an emergency under this regulation, each casino shall have immediately available to MGC personnel the closure procedures as outlined and approved by this agency to be used as a check list for closure.

1. The response activities presented here are applicable to hurricane threats only and will provide adequate direction for casino management and will affect only the casino establishments and cruise vessels. All land based non-gaming facilities will receive direction from the Emergency Management Director. To expedite action, these directions may be passed through the MGC. (2) The procedures for closure and re-opening will not be identical for each casino due to the various sizes and shapes. Therefore, careful consideration must be made in preparation of each plan (3) The MGC will coordinate with MEMA on each plan to ensure procedures are adequate to ensure compliance with the Mississippi Gaming Control Act and Mississippi Gaming Commission Regulations.

2. The items identified in the following sections are not all inclusive. Each plan will be approved based on the individual casino, its design, layout, and internal controls.

3. Each casino effected by this regulation must develop a detailed time phased casino hurricane emergency operation's plan with supporting procedures and documents. The detailed plan must be designed to follow the warning and watch system normally used by the National Weather Service and promulgated locally by the County Emergency Management Agency. This tiered system should provide adequate notification for management to initiate a phased preparation for closure. Include the following items:
  - i. Emergency plan review to ensure it is adequate and current. Changes made to the facility must be incorporated.
  - ii. Identify a point of contact with current telephone and facsimile numbers and e-mail address to the MGC.
  - iii. Identify critical personnel who will be working closures.
  - iv. Identify training requirements and schedule for training personnel.
  - v. Review, identify, and update storm tracking responsibilities.
  - vi. Provide steps to procure any emergency supplies needed during closure actions such as bags, plastic wrap, wood, and tape.
  - vii. Develop a short notice closure program containing only the critical actions mandatory for closure and evacuation.
  - viii. Provide procedures and methods for communicating with emergency agencies.
4. Each casino shall be responsible for the following preparedness duties:
  - i. Instruct employees on disaster plans and their actions or roles.
  - ii. Coordinate with supporting companies and agencies to ensure all are aware of individual casino requirements.
  - iii. Secure adequate storage facilities for critical records and equipment.
  - iv. Stock adequate supplies used in the emergency plan.
  - v. Maintain a constant schedule of maintenance and repair of equipment such as emergency generators.
5. Each casino shall be responsible for the following response during an emergency:
  - i. Activate casino emergency operations staff.
  - ii. Initiate time phased casino emergency plan.
6. The Emergency Operation's Plan shall include the following procedures:
  - i. When TROPICAL STORM WATCH is issued:
    1. Provide casino representative for any meetings necessary with the MGC.
    2. Inform the MGC where accounting back-up tapes will be stored. Preferred storage area is an institutional vault.
    3. Ensure adequate storage space is available for critical items such as accounting records, computers, BVAs, table floats, etc.
    4. Review manpower situation to ensure sufficient personnel are available.
    5. Review requirements for boarding and/or taping windows.
    6. Ensure security and surveillance requirements will be maintained.
  - ii. If TROPICAL STORM WARNING is issued:
    1. Verify actions outlined in TROPICAL STORM WATCH have been completed.
    2. Ensure plans cover power loss.

3. Continue to monitor the storms progress.
- iii. If HURRICANE WATCH is issued:
1. Provide procedures for scaling down operations.
  2. Review drop schedules and predicted storm land fall to request time changes if needed.
  3. Provide procedures for departments to review work schedules to allow employees to leave if possible so they can evacuate.
  4. Maintain contact with the MGC agent assigned in preparation for possible closure order.
- iv. If HURRICANE WARNING is issued:
1. Establish procedures to receive closure order from MGC.
  2. Identify procedures for securing gaming cheques located in floats, for accomplishing table box drops, securing cards and dice, securing BVAs in the slot machines, securing monies in change booths, and count rooms.
  3. Identify which entry will be primary entrance and exit during closure.
  4. Identify procedures to ensure surveillance and security will be maintained.
  5. Identify procedures to ensure fire and other safety codes or regulations will be met for as long as possible.
  6. Identify critical records, documents, and accounting backup tapes and removal procedure.
  7. Identify procedures for closing and securing KENO areas.
  8. Identify any other procedures casino management feels necessary to safely close the casino.
  9. Open lines of communication with MGC.
  10. Completely close and evacuate casino as required.
  11. Each casino shall be responsible for the following recovery action:
    - i. Continue response actions as required by the County Emergency Management Agency.
    - ii. Assess damage to establishments, casino vessel and supporting structures.
    - iii. Implement repairs to facilities.
    - iv. Request permission to reopen when safe environment is determined. The decision to reopen will be made by the MGC in conjunction with MEMA and local emergency management agencies.
    - v. Identify company personnel responsible for accomplishing damage assessment to work with the specialized teams from MEMA or the County Emergency Management Agency.
    - vi. Identify procedures for maintaining power, fire alarms, and safety items.
    - vii. Identify reopening team members.
    - viii. Identify means to ensure surveillance and security coverage will be provided to comply with MGC regulations.
    - ix. Identify procedures to install drop boxes, floats, BVAs, and any other materials placed into storage.

- x. Identify procedures to start the slot computer accounting system.
- xvi. Identify distribution procedures for cards and dice.
  - 1. If EOC personnel find that the risk of completing closure requirements will place casino personnel in imminent danger of loss of life, the Executive Director of the MGC or his designee may, at their discretion, override certain closure procedures or order immediate evacuation of the cruise vessel or gaming establishments. (Adopted: 03/21/1996; Amended: 02/23/2006.)

Source: *Miss. Code Ann. § 75-76-3*

## **Part 2 Chapter 3: INVESTIGATIONS AND HEARINGS.**

### *Rule 3.1 Investigations.*

The Executive Director shall investigate all applications for licenses or other Commission approvals and report all material facts to the Commission. The Executive Director may investigate, without limitation, the background of the applicant, the suitability of the proposed premises for gaming, the proposed establishment's compliance with all applicable standards, laws, and regulations, the suitability of the applicant's financing, and the applicant's business probity. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-103*

*Rule 3.2 Waiver Of Privilege.* An applicant shall waive any statutory or common law privilege afforded by the laws of the State of Mississippi or of any other jurisdiction in which the applicant or any information pertaining to the application is located. Refusal to waive such a privilege shall constitute grounds for denial of the application. An applicant may claim any privilege afforded by the Constitution of the United States, or of the State of Mississippi, in refusing to answer questions by the Executive Director and the Commission. Since the burden of proving his qualifications is upon the applicant, however, a claim of privilege with respect to any testimony or evidence pertaining to an application may constitute sufficient grounds for denial. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 3.3 Summoning Of Applicants.* The Executive Director or Commission may summon any person named in an application to appear and testify before them or their agents at such time and place as they may designate. All such testimony shall be under oath and may embrace any matter which the Commission, the Executive Director, or their authorized agents deem relevant to the application. Failure to appear and testify fully at the time and place designated, unless excused, constitutes grounds for denial of the application without further consideration by the Executive Director or the Commission. Any request for excuse of appearance must be in writing and filed

with the Executive Director at least five (5) days prior to the scheduled appearance. The applicant may appeal a denial of excuse of appearance by the Executive Director to the Commission. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-27*

*Rule 3.4 Notice Of Hearing.* The Executive Director shall give written notice to all applicants of his recommendation regarding their applications and the time and place that their application for a gaming license will be considered by the Commission. If the Executive Director recommends denial of an application, he shall also provide a written statement of the reasons for the recommendation. Applicants may be represented at the meetings by their attorneys or agents. The Commission will notify the applicant in writing of the disposition of his application. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-27*

## **Part 2 Chapter 4: GENERAL PARTNERSHIPS AND JOINT VENTURES.**

*Rule 4.1 Licensing Of Partners And Joint Venturers.* When a general partnership or joint venture applies for any license, registration, or finding of suitability required or permitted to be granted by the Commission, each individual partner and joint venturer must file a complete application with the Executive Director and be separately found suitable by the Commission, although only one license, in the name of the partnership or joint venture, will be issued for a particular establishment. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-227*

*Rule 4.2. Application Fees.* The general partnership or joint venture which applies for a license, registration or finding of suitability is required to file only one \$5,000.00 application fee, but each individual partner and joint venturer is required to pay investigative fees and each partner or joint venturer shall be jointly and severally liable for the payment of supplemental investigative fees of the other partners or joint venturers. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-183*

## **Part 2 Chapter 5: CORPORATE LICENSEES.**

*Rule 5.1 Definitions.* As used in this regulation, the following terms have the following meanings:

(a) "Control," "controlling," and "controlled by" mean a relationship between two entities whereby one possesses, indirectly or directly, the power to direct or cause the direction of the management and policies of the other, whether through the ownership of voting securities, by contract, or otherwise. The phrase "under common control with" means two entities which are controlled by the same entity.

(b) A person shall be deemed to "own," "hold" or "have" a security of, or interest in, a corporation or other form of business organization if such person has either directly or indirectly, a record or beneficial interest therein.

(c) The terms "sale" and "sell" include every contract of sale of, contract to sell, or disposition of, a security or interest in a security whether or not for value. The terms include an exchange of securities and any material change in the rights, preferences, privileges or restrictions of or on outstanding securities.

(d) The term "security" means any interest or instrument commonly known as a "security", including without limitation, any stock, membership in any corporation or association, bond, debenture or other evidence of indebtedness, investment contract, voting trust certificate, certificate of deposit for a security, or any certificate of interest or participation in, temporary or interim certificate for, receipt for or warrant or register to subscribe to or purchase any of the foregoing. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-199*

*Rule 5.2 Individual Licensing Of Shareholders Of Corporate Licensee.*

(a) Except as provided in subsection (b), each individual must be found suitable to hold a gaming license before he may:

1. Own an equity security issued by a corporate licensee, or
2. Hold any security issued by a corporate licensee which gives the holder voting rights in the corporation.

(b) This section does not apply to any employee who owns stock through a stock bonus plan, pension plan, or other employee benefit program established by the licensee, so long as the plan is administered by the licensee or the trustee or the administrator of the plan is found suitable by the Commission, and so long as the employee does not hold legal title to the security for any longer than is reasonably necessary to facilitate the transfer to the plan and does not exercise any voting rights or receive any dividends during such period. Notwithstanding the foregoing, the Commission may require any person holding a beneficial interest in such a plan to be found suitable. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-211*

*Rule 5.3 Procedure For Complying With Miss. Code Ann. §75-76-213.*

The reports required pursuant to Miss. Code Ann. §75-76-213 shall consist of applications signed by the President and the Secretary of the corporate licensee on a form provided by the Executive Director. The information required on the form shall include, but not be limited to, the following information:

(a) The name, address and telephone number of the applicant.

(b) If the report is being filed pursuant to Miss. Code Ann. §75-76-213, the name, address, and telephone number of any person to whom a security is being issued or transferred, the current ownership of the corporation, and the future ownership of the corporation if the issuance or transfer of the securities is approved.

(c) If the application is made pursuant to subsection 2 Miss. Code Ann. §75-76-213, the name, address, telephone number, and capacity of the corporate officer or director. If the new officer or director is replacing a former officer or director, the name, address, telephone number and



capacity of the former officer or director, and a statement regarding the reason for the change in officers or directors.

(d) A complete and accurate application for licensing filed on behalf of the person to whom any security is being issued or transferred or any new officer or director of the corporation. The Executive Director shall investigate the person to whom the corporate licensee proposes to issue or transfer any security or the proposed new corporate officer or director and make a recommendation to the Commission with regard to the licensing of the proposed stockholder, officer or director. If the Commission licenses the proposed stockholder, officer or director, the issuance or transfer of the security or the change in corporate officers or directors is deemed approved. If the Commission denies such license or if the Executive Director permits withdrawal of the application upon the request of the applicant, then the transfer or issuance of the security or the change of officers or directors is disapproved. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-213*

*Rule 5.4 Compliance With Miss. Code Ann. §75-76-211.*

- (a) The Commission may request persons, affiliated entities and greater than 5% equity owners to submit an application for finding of suitability pursuant to Miss. Code Ann. Section 75-76-211 (1972).
- (b) Any person, entity and greater than 5% equity owner required or requested to submit an application for finding of suitability to the Commission must submit such within the thirty (30) days provided by Miss. Code Ann. §75-76-211. The term Entity includes, but is not limited to, corporation, general partnership, limited partnership, limited liability company, revocable trust and irrevocable trust.
- (c) Any person, entity and greater than 5% equity owner may be found unsuitable by the Commission and it shall constitute grounds for denial of any subsequent application by such person, entity and greater than 5% equity owner. The corporate licensee may be deemed to have failed to require the submission of an application for finding of suitability by such person, entity and greater than 5% equity owner in violation of Miss. Code Ann. §75-76-211.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-211*

*Rule 5.5 Approvals Required.*

The following transactions involving corporate licensees are ineffective unless approved in advance by the Commission:

- (a) Any act or transaction by virtue of which any other corporation or other form of business organization becomes a controlled affiliate of a corporate licensee;
- (b) Any act or transaction by virtue of which any other corporation or other form of business organization becomes under common control with a corporate licensee, unless the corporation or

other business organization is wholly owned by a licensee, by persons who are licensed or who have been found suitable with respect to ownership of the corporate licensee, or by any combination thereof;

(c) The imposition of any restriction on the transfer of an equity security issued by a corporate licensee, whether imposed by the issuer or by the holder or by any other person, except the following:

1. Any restriction on resale which is required for compliance with the Federal Securities Act, or the Federal Securities Exchange Act, or a general securities law of any state;
2. Any restriction which results from a "stop transfer order" given to a transfer agent by the holder of a security on the grounds that the certificate has been lost or stolen; and
3. Any restriction which arises from a binding contract to sell or hypothecate a security in a current transaction which will be consummated, if at all, in nine months or less.

(d) Any guarantee of securities issued by a corporate licensee pursuant to a public offering or private placement and any hypothecation of assets by a corporate licensee to secure the payment or performance of obligations evidenced by securities issued pursuant to a public offering or private placement, except where continuous or delayed approval has been granted pursuant to Part 2, Rule 8.7.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-211*

*Rule 5.6 Statement of Restrictions on Equity Securities.*

The statement required by Mississippi Code Annotated 75-76-207 shall be substantially as follows:

(a) "The sale, assignment, transfer, pledge or other disposition of this security is ineffective unless approved in advance by the Mississippi Gaming Commission. If at any time such commission finds that an owner of this security is unsuitable to continue to have an involvement in gaming in such state, such owner must dispose of such security as provided by the laws of the State of Mississippi and the regulations of the Mississippi Gaming Commission thereunder. Such laws and regulations restrict the right under certain circumstances:

1. To pay or receive any dividend or interest upon such security;
2. to exercise, directly or through any trustee or nominee, any voting right conferred by such security; or
3. to receive any remuneration in any form from the corporation, for services rendered or otherwise."

(Adopted: 08/20/1998.)

Source: *Miss. Code Ann. § 75-76-211*

**Part 2 Chapter 6: LIMITED PARTNERSHIP LICENSEES.**

*Rule 6.1 Definitions. As used in this regulation:*

(a) "Contribution" means cash, property, services rendered, or a promissory note or other binding obligation to contribute cash or property or to perform services, which a partner contributes to a limited partnership in his capacity as a partner.

(b) "Delayed licensing" means an approval granted by the Commission to a limited partner of a limited partnership licensee, enabling the limited partner to receive a share or percentage of revenues derived in the conduct of gaming prior to the limited partner being licensed.

(c) "Foreign limited partnership" means a partnership formed under the laws of any state of the United States other than this state or any foreign country and having as its partners one or more general partners and one or more limited partners.

(d) "Partnership agreement" means any valid, written agreement of the partners as to the affairs of a limited partnership and the conduct of its business.

(e) "Capital account" means a particular limited partner's contribution plus the limited partner's proportionate share of the income of the limited partnership licensee, minus the limited partner's proportionate share of any of the losses of the limited partnership licensee and any distributions to the limited partner. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-199*

*Rule 6.2 Required Provisions And Certificate Of Limited Partnership.*

Pursuant to Miss. Code Ann. §75-76-223, the following provisions must be included in the Certificate of Limited Partnership of every limited partnership that applies for or holds a state gaming license:

(a) "Notwithstanding anything to the contrary, expressed or implied in this agreement, the sale, assignment, transfer, pledge, or other disposition of any interest in the partnership is void unless approved in advance by the Commission. If at any time the Commission finds that an individual owner of any such interest is unsuitable to hold that interest, the Commission shall immediately notify the partnership of that fact. The partnership shall, within ten (10) days from the date that it receives the notice from the Commission, return to the unsuitable owner the amount of his capital account as reflected on the books of the partnership. Beginning on the date when the Commission serves notice of a determination of unsuitability, pursuant to the preceding sentence, upon the partnership, it is unlawful for the unsuitable owner:

(b) To receive any share of the profits or distributions of any cash or other property other than a return of capital as required above;

(c) To exercise, directly or through any trustee or nominee, any voting right conferred by such interest; or

(d) To receive any remuneration in any form from the partnership, for services rendered or otherwise. Any limited partner granted delayed licensing that is later found unsuitable by the Commission shall return all evidence of any ownership in the limited partnership to the limited partnership, at which time the limited partnership shall return to the unsuitable limited partner the amount of his capital account, and the unsuitable limited partner shall no longer have any direct or indirect interest in the limited partnership." (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-223*

*Rule 6.3 Delayed Licensing Of Limited Partners.*

Miss. Code Ann. §75-76-219 and this regulation, the Commission may waive licensing of certain limited partners and, in lieu thereof, grant approval of delayed licensing for a limited partner. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-219*

*Rule 6.4 Eligibility For Delayed Licensing.*

(a) A limited partnership that holds or has applied for a gaming license may file an application for approval of delayed licensing of its limited partners.

(b) Only limited partners whose aggregate effective ownership percentage in the limited partnership is less than ten percent (10%) will be considered for delayed licensing approval. For purposes of determining aggregate effective ownership percentage, an applicant who owns any part of a legal entity that is a limited partner shall be deemed to have the percentage ownership interest held by the legal entity, in addition to the percentage ownership that the applicant holds directly.

(c) A general partner is not eligible for delayed licensing.

(d) If the Commission rules that a limited partnership is eligible for delayed licensing of its limited partners, the Commission shall direct the Executive Director, based upon such investigation as he deems appropriate, to recommend to the Commission which of the limited partners who have applied for delayed licensing, if any, should be granted delayed licensing. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-227*

*Rule 6.5 Application For Delayed Licensing By Individual Limited Partners.*

Once a limited partnership has been found eligible for delayed licensing pursuant to Section 4, each limited partner seeking delayed licensing shall file an application for delayed licensing pursuant to Section 6 of this regulation. A limited partner may file an application for delayed licensing prior to the Commission's ruling on the eligibility of the limited partnership, but the application will not be considered by the Executive Director and Commission until the Commission rules that the limited partnership is eligible for delayed licensing. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-227*

*Rule 6.6 Procedure For Consideration Of Application For Delayed Licensing.*

Any application for delayed licensing, whether by the limited partnership pursuant to Section 4, or by an individual limited partner pursuant to Section 5 of this regulation, shall be made to the Executive Director on forms furnished by the Executive Director. The Executive Director shall investigate the applicant and make a recommendation to the Commission which shall determine whether to grant or deny the application for delayed licensing. The Executive Director has full and absolute power and authority, to the extent permitted by law, to recommend the granting, denial, limitation, conditioning or restriction of any application for delayed licensing required or permitted by law or this regulation for any cause deemed reasonable by the Executive Director. The Commission shall have full and absolute power and authority to grant, deny, limit, condition, or restrict any application for delayed licensing required or permitted by the Act or this regulation for any cause deemed reasonable by the Commission. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-227*

*Rule 6.7 Information To Be Provided By Applicants For Delayed Licensing.*

In addition to the information required by Miss. Code Ann. §75-76-73 and Section II A of these regulations, each limited partner applying for approval of delayed licensing shall provide the following information:

- (a) A listing of any other business interests between the applicant and any general partner or any other limited partner existing prior to, at the time of, or after the formation of the limited partnership.
- (b) Whether the applicant has a familial relationship, either by blood, marriage or adoption, with a general partner or any other limited partner.
- (c) A certification that the applicant does not have and will not have a material relationship to, or material involvement with, a general partner of the limited partnership with respect to the operations of the limited partnership. A person may be deemed to have a material relationship to, or material involvement with, a general partner if he is a shareholder, controlling person or key employee of a legal entity that is a general partner, or if, as an agent, consultant, advisor, or otherwise, he exercises a significant influence upon the management or affairs of such general partner. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-225*

*Rule 6.8 Standards.* The Executive Director shall consider all relevant facts in recommending and the Commission shall consider all relevant facts in determining whether to grant an approval of delayed licensing to a limited partnership, and thereafter to a limited partner. Without limiting the generality of the foregoing, the Executive Director and Commission shall consider the effects of the action or approval requested by the applicant, the benefits for the State of Mississippi and the following:

- (a) The effect of granting delayed licensing and the benefits, if any, to the State of Mississippi.
- (b) Whether the applicant, either individually or in conjunction with other limited partners, has any direct or indirect control or significant influence over a general partner, or the management of the limited partnership's business or gaming operation, or the ability to acquire such control.
- (c) Whether the limited partnership agreement has clear and specific provisions restricting the priority rights of the limited partnership with respect to income, losses, or other distributions, during the term of the limited partnership or upon its dissolution, of limited partners seeking delayed licensing; vesting in the general partner(s) the sole and exclusive right to manage and control the partnership's business; defining the scope of the general partner(s)' authority and any limitations thereon; restricting the right of limited partners to remove or elect general partners, except to the extent necessary to elect a general partner upon the retirement, death, or disability of a general partner who is a natural person; and whether any additional assessment or capital contribution can be required of the limited partners.
- (d) Whether the applicant has, or has had a material relationship with a general partner. Without limiting the generality of the foregoing an applicant who has a familial relationship, either by blood, marriage or adoption, to a general partner may be deemed to have such a material relationship.
- (e) The commonality of business interests between a general partner and any limited partners prior to, or existing at, formation of the limited partnership.
- (f) Whether the applicant had a key role in forming the limited partnership.
- (g) The relative level of risk for each general and limited partner.

- (h) The business probity of each general partner, in gaming or otherwise.
- (i) The presence or absence of restrictions on the limited partners.
- (j) Whether a substantial portion of the assets of the limited partnership were owned by the applicant and other limited partners prior to formation of the limited partnership.
- (k) Whether a substantial portion of the depreciable assets involved in the proposed gaming operation will be owned by the limited partnership or leased or loaned to the limited partnership by one more limited partners.
- (l) Whether a limited partner has guaranteed any obligation of the limited partnership.
- (m) The number of persons and entities involved in the limited partnership. The Commission will not ordinarily grant delayed licensing status to a limited partnership with fewer than ten (10) limited partners.
- (n) The various percentage ownership interests in the limited partnership.
- (o) The terms of any agreements which provide for a buy-out of a limited partner's interest in the event the limited partner is found unsuitable for licensing. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-211*

*Rule 6.9 Post Approval Monitoring After Approval Of Delayed Licensing.*

The partnership agreement of a limited partnership that seeks delayed licensing must obtain language to the effect that the licensing of any limited partner granted delayed licensing may be activated at any time pursuant to this regulation. The granting of delayed licensing to a limited partner by the Commission shall be a revocable approval. The Executive Director and Commission shall not relinquish jurisdiction. Any limited partner receiving approval for delayed licensing from the Commission has no legal vested right or privilege inherent in that approval, nor shall the limited partners that have been granted delayed licensing accrue any privilege in the licensing of the limited partnership. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-225*

*Rule 6.10 Powers Of The Executive Director And Commission After Delayed Licensing Approval.*

After granting delayed licensing to any limited partner, the Executive Director and Commission may exercise, without limitation, any of the following powers:

- (a) The Executive Director may at any time recommend to the Commission that the Commission activate the licensing process for any limited partner granted delayed licensing. Without limiting the generality of the foregoing, the Executive Director may recommend that the licensing of any limited partner be activated if he believes that:
  1. A limited partner has thereafter developed a material relationship with or to a general partner;
  2. A limited partner, individually or in conjunction with other limited partners, has acquired the ability to exercise significant control or influence over the management of the limited partnership's gaming operations or business affairs;
  3. A limited partner, individually or in conjunction with other limited partners, has exercised, for any reason, significant control or influence over the management of the

limited partnership's gaming operations, either directly or indirectly, even if such control is contemplated or authorized by the partnership agreement;

4. There is reason to believe that the limited partner cannot demonstrate its suitability pursuant to the provisions of Miss. Code Ann. §75-76-67;

5. The aggregate effective ownership percentage held by a limited partner granted delayed licensing has increased to ten percent (10%) or more; or

6. Any other cause he deems reasonable.

(b) The Commission, after considering the recommendation of the Executive Director, may activate the licensing process for any limited partner granted delayed licensing at any time.

(c) The Commission may, at the time it grants delayed licensing to a limited partner, delegate to the Executive Director the authority to activate, without Commission approval, the licensing process for any particular limited partner.

(d) The Executive Director may issue an order requiring the escrow of funds, profits, or other monies due any limited partner granted delayed licensing from the licensed limited partnership for any cause deemed reasonable. Any such escrow ordered by the Executive Director automatically terminates at the conclusion of the next regular Commission meeting unless:

1. The Executive Director recommends that the Commission activate the licensing process for the limited partner that is the subject of the order;

2. The Executive Director delays a determination of whether he should recommend that the licensing process be activated at the request of the limited partner who is the subject of the order; or

3. The Executive Director activates the licensing process pursuant to a delegation of authority from the Commission.

(e) Any escrow ordered by the Executive Director pursuant to Subsection (d) automatically terminates if the Commission decides not to activate the licensing process for the limited partner that is the subject of the order or if the Commission licenses the limited partner. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-219*

#### *Rule 6.11 Delayed Licensing Approval Not Transferable.*

Delayed licensing approval shall be personal to the limited partner granted delayed licensing. A limited partner's interest that is held under delayed licensing may not be transferred, assigned, encumbered or hypothecated in any manner without the prior approval of the Commission, upon recommendation of the Executive Director. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-219*

## **Part 2 Chapter 7: HOLDING COMPANIES.**

### *Rule 7.1 Escrow Of Securities.*

If the Executive Director files a complaint for disciplinary action against any holding company, affiliated licensee, or officer, director or shareholder of any holding company or affiliated licensee, or calls any such person forward for a finding of suitability, the Commission may order that securities issued by a holding company or affiliated licensee be placed in escrow on

specified terms and conditions during the pendency of the disciplinary or licensing proceeding. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-237*

*Rule 7.2 Compliance With Miss. Code Ann. §75-76-237.*

The Commission may determine that a holding company has failed to comply with Miss. Code Ann. §75-76-237 and is therefore subject to disciplinary action, if any holding company or intermediary company:

- (a) Pays the person found unsuitable pursuant to Miss. Code Ann. §75-76-237 any dividend or interest upon any securities or any payment or distribution of any kind whatsoever;
- (b) Recognizes the exercise by any such unsuitable person, directly or indirectly, or through any proxy, trustee or nominee, of any voting right conferred by any securities or interest in any securities;
- (c) Pays to any such unsuitable person any remuneration in any form, for services rendered or otherwise, or permits the affiliated gaming licensee to make any such payment; or
- (d) Makes any other payment or distribution, of any kind whatsoever, in respect to any such security or interest by way of, or pursuant to payment of principal, redemption, conversion, exchange or liquidation or any other transaction. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-237*

*Rule 7.3 Approval By Commission Required For All Issues Or Transfers By A Holding Company Or Intermediary Company Of Its Securities.*

No holding company shall issue or transfer any security of which it is the issuer without the prior approval of the Commission. Every approval required by this regulation shall be sought by the filing of an application signed by the President or a Vice-President, and the Secretary or Assistant Secretary of the holding company on a form provided by the Executive Director. Information required on the form shall include, but not be limited to, the following information:

- (a) The name, address and telephone number of the holding company;
- (b) The name, address and telephone number of any person to whom the security is being issued or transferred;
- (c) Current ownership of the holding company, and future ownership of the holding company for which the issuance or transfer of securities is approved; and
- (d) The names of all licensed gaming establishments in which the holding company owns any interest. The Executive Director shall investigate the person to whom the holding company proposes to issue or transfer any security and make a recommendation to the Commission with regard to the licensing of the proposed transferee. If the Commission licenses the proposed transferee, issuance or transfer of the securities is deemed approved. If the Commission denies such license or if the Executive Director permits withdrawal of the application upon the request of the applicant, then the transfer or issuance of the security is disapproved. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-237*



*Rule 7.4 Licensing Of General Partners Of Limited Partnership Holding Companies And Officers And Directors Of Corporate Holding Companies.*

Each general partner of a limited partnership holding company and each officer and director of a corporate holding company must be licensed before the limited partnership or corporation may become a holding company. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-227*

*Rule 7.5 Certain Transactions Prohibited.*

(a) Except as permitted by subsection (b), no restrictions on the transfer of an equity security issued by a holding company, whether imposed by the issuer or by the holder or by any other persons, shall be effective for any purpose whatsoever unless such restrictions are approved in advance by the Commission or unless such restrictions are otherwise required by the Act or these regulations. No agreement not to encumber an equity security issued by a holding company shall be effective for any purpose whatsoever unless such agreement is approved in advance by the Commission.

(b) The following restrictions on the transfer of a security are permitted without the necessity of prior approval pursuant to subsection (a):

1. Any restriction on resale which is required for compliance with the Federal Securities Act, or the Federal Securities Exchange Act, or a general securities law that states;
2. Any restriction which results from a "stock transfer order" given to a transfer agent by the holder of a security on the grounds that a certificate has been lost or stolen; and
3. Any restriction which results from a binding contract to sell or hypothecate a security in a current transaction which will be consummated if at all in nine (9) months or less. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. §§ 75-76-201, 75-76-207, 75-76-247*

*Rule 7.6 Certain Payees.*

Any person who receives payments from a holding company computed on the basis of the earnings or profits of a holding company, or on the basis of the receipts from gaming of an affiliated licensee of such holding company, may be required to be found suitable. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-57*

*Rule 7.7 Application to Publicly Traded Corporations.*

Part 2 Chapter 7 shall not apply to publicly traded corporations who have publicly traded equity securities. Part 2 Chapter 7 shall apply to publicly traded corporations whose registration is based solely on publicly traded debt securities.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-57*

## **Part 2 Chapter 8: PUBLICLY TRADED CORPORATIONS.**

### *Rule 8.1 Definitions.*

- (a) "Corporate acquisition opposed by management" means an attempt to acquire control of a publicly traded corporation that is an affiliated company by means of a tender offer that is opposed by the board of directors of the affiliated company.
- (b) "Current market price" means the average of the daily closing prices for the 20 consecutive trading days immediately preceding the date of a transaction or the closing price on the day immediately preceding the date of such transaction, whichever is higher. For the purpose of this definition, the closing price for each day shall be the last reported sale price, regular way, or in case no such reported sale takes place on such date, the average of the last reported bid and asked prices, regular way, in either case on the principal national securities exchange registered under the Securities Exchange Act of 1934 on which such security is admitted to trading or listed, or if not listed or admitted to trading on any national securities exchange, the closing price of such security, or in case no reported sale takes place, the average of the closing bid and asked prices, on GNOSTIC or any comparable system, or if such security is not listed or quoted on GNOSTIC or any comparable system, the closing sale price, or in case no reported sale takes place, the average of the closing bid and asked prices, as furnished by any member of the National Association of Securities Dealers, Inc., selected from time to time by the issuer for that purpose.
- (c) "Exceptional repurchase of securities" means the direct or indirect purchase by a corporation of securities representing beneficial ownership of more than one percent (1%) of its voting securities, whether in a single transaction or a series of related transactions, at a price more than ten percent above the current market price of such securities on the date of the agreement to purchase such securities from any person, other than a person who has been an executive officer or a member of the board of directors for at least the past two years, who, on the date of the agreement to purchase, is the beneficial owner of more than three percent of the voting securities of such corporation and has been the beneficial owner of more than three percent of such securities for less than one year, unless such purchase has been approved by the affirmative vote of a majority of the holders of voting securities [voting on the transaction] exclusive of the selling security holder, or is pursuant to the same offer and terms as made to all holders of voting securities of such class, other than holders, if any, who have consented in writing to be excluded from the class of offerees, executive officers, or members of the board of directors. For the purpose of this definition, when determining whether a corporation has purchased more than one percent of its voting securities, the amount of voting securities of such corporation shall be deemed to include voting securities issuable pursuant to purchase rights where the price of the purchase rights is less than the current market price of such securities on a given determination date provided, however, that in any event, the amount of such voting securities beneficially owned by a selling security holder pursuant to purchase rights shall be included to determine the amount of the corporation's voting securities for purposes of such computation if not otherwise included based on the foregoing provision.
- (d) "Executive officer" with respect to a publicly traded corporation, means the president, secretary, treasurer, any vice president in charge of a principal business function (such as sales, administration or finance) and any other person who performs similar policy-making functions for a publicly traded corporation.

(e) "Federal Securities Act" means Title 15 United States Code sections 77a-77aa, as amended from time to time, and the rules and regulations of the United States Securities and Exchange Commission now or hereafter promulgated thereunder.

(f) "Federal Securities Exchange Act" means Title 15 United States Code section 78a-78kk, as amended from time to time, and the rules and regulations of the United States Securities and Exchange Commission now or hereafter promulgated thereunder. (Adopted: 09/25/2000.)

(g) "Full disclosure" with respect to a transaction or to a series of transactions means a descriptive statement thereof which contains all material facts, and which contains no false or misleading declarations of material fact. (Adopted: 10/27/2005.)

(h) "Plan of recapitalization" means a plan proposed by the board of directors of a publicly traded corporation that is an affiliated company, which plan:

1. Contains recommended action in response to a corporate acquisition opposed by management, which acquisition cannot be consummated until approval has been obtained pursuant to Section 14, and which acquisition has not been consummated, withdrawn or terminated;

2. Involves either a cash dividend to voting securities or an exchange of voting securities held by security holders in return for a payment of cash or the issuance of securities of the issuer or a combination of cash and securities of the issuer, with an aggregate value in excess of fifty percent of the aggregate current market price of the voting securities of the company on the day of the public announcement of the plan of recapitalization; and

3. Is financed in substantial part by borrowing from financial institutions or the issuance of debt securities.

(i) "Public offering" means a sale of securities that is subject to the registration requirements of section 5 of the Federal Securities Act, or that is exempt from such requirements solely by reason of an exemption contained in section 3(a)10, 3(a)11 or 3 (c) of said Act or Regulation A adopted pursuant to section 3(b) of said Act.

(j) "Purchase rights" means a security or contractual right in securities issued or issuable on the exercise of options, warrants or other beneficial interest in securities obtained for value upon the issuance of securities, or on conversion of other securities.

(k) "Speculative securities" means:

1. Securities, the value of which depends substantially upon proposed or promised future promotion or development rather than on material existing assets, conditions or operating results; or

2. Securities, an investment in which involves an extraordinary risk of loss to the investor.

(l) "Tender offer" means a public offer by a person other than the issuer to purchase voting securities of a publicly traded corporation that is an affiliated company, made directly to security holders for the purpose of acquiring control of the affiliated company.

(m) "Voting security" means a security the holder of which is entitled to vote for the election of a member or members of the board of directors or board of trustees of a corporation or a comparable person or persons in the case of a partnership, trust or other form of business organization other than a corporation. (Adopted: 09/25/1991; Amended: 09/25/2002; Amended: 10/27/2005.)

Source: *Miss. Code Ann.* §§ 75-76-199, 75-76-21

*Rule 8.2 Powers Of Commission And Executive Director.*

(a) Without in any way limiting the generality of the provisions of the Act, in connection with any recommendation or action, the Executive Director or Commission may provide:

1. That a time period be accelerated or extended; or
2. That as a condition to the processing of an application or to the granting of an approval:
  - i. An application be supplemented in any particular and to any extent either before or after the Commission has acted thereon;
  - ii. An applicant or other person urging the approval or denial of an application appear personally before the Executive Director and Commission and submit to interrogation under oath or otherwise;
  - iii. Funds, securities, instruments or agreements be placed in escrow upon specified conditions;
  - iv. A transaction be in compliance with the applicable laws and regulations of any federal, state, or local governmental entity or agency;
  - v. A transaction be approved by an applicant's board of directors;
  - vi. An opinion of an applicant's legal counsel be furnished to the Commission;
  - vii. An opinion of an applicant's auditors be furnished to the Commission;
  - viii. All or any portion of an application be examined or evaluated by a consultant to the Commission at the expense of the applicant.

(b) The Commission has the power to delegate to the Executive Director, in its order granting approval, the power to issue an interlocutory stop order. The interlocutory stop order may be issued for any cause deemed reasonable by the Executive Director. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. §§ 75-76-21, 75-76-27*

*Rule 8.3 Commission Review Of Stop Orders.*

If a stop order is issued by the Executive Director pursuant to the provisions of this regulation, the Commission shall, upon request of the person that is the subject of the order, conduct a hearing on the merits of the matter no later than its next regular meeting for which notice of the hearing pursuant to Mississippi Law is practicable. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. §§ 75-76-21, 75-76-27*

*Rule 8.4 Standards For Action By Executive Director And Commission.*

The Executive Director and Commission will consider all relevant material facts in determining whether to recommend or grant an approval required or permitted by this regulation. The Executive Director and Commission may consider not only the effects of the action or approval requested by the applicant, but whatever other facts are deemed relevant, including but not limited to the following:

- (a) The business history of the applicant, including its record of financial stability, integrity, and success of its operations;
- (b) The current business activities and interests of the applicant, as well as those of its executive officers, promoters, lenders, and other sources of financing, or any other individuals associated therewith;

- (c) The current financial structure of the applicant, as well as changes which could reasonably be anticipated to occur to such financial structure as a consequence of the proposed action of the applicant;
- (d) The gaming-related goals and objectives of the applicant, including a description of the plans and strategy for achieving such goals and objectives;
- (e) The relationship between such goals and objectives and the requested approval;
- (f) The adequacy of the proposed financing or other action to achieve the announced goals and objectives;
- (g) The present and proposed compensation arrangement between the applicant and its directors, executive officers, principal employees, security holders, lenders, or other sources of financing;
- (h) The equity investment, commitment or contribution of present or prospective directors, officers, principal employees, investors, lenders, or other sources of financing;
- (i) The dealings and arrangements, prospective or otherwise, between the applicant and any investment bankers, promoters, finders or lenders, and other sources of financing;
- (j) The effect of the proposed action on existing and prospective security holders of the applicant, both before and after the intended action;
- (k) Whether the applicant has made full and complete disclosure of all material facts relative to the proposed action to the Executive Director and the Commission and made provision for such disclosure to all prospective security holders;
- (l) Whether the proposed action tends not to work a fraud upon the public;
- (m) Whether a proposed public offering contains speculative securities;
- (n) Whether a proposed transaction will create a significant risk that the publicly traded corporation and its affiliated companies will not:
  1. satisfy their financial obligations as they become due; or
  2. satisfy all financial and regulatory requirements imposed by the Act and these regulations.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-29*

*Rule 8.5 Corporate Licensees.*

- (a) A publicly traded corporation is not eligible to apply for or hold a state gaming license or manufacturer's, seller's, or distributor's license. A publicly traded corporation may be found suitable to acquire or hold an interest in a corporate licensee.
- (b) A person shall not make a public offering of any security issued by a corporate licensee.
- (c) The provisions of subsection (b) do not prevent a corporate licensee from guaranteeing a security issued by an affiliated company pursuant to a public offering, nor from hypothecating its assets to secure the payment or performance of the obligations evidenced by a security issued by an affiliated company pursuant to a public offering, provided that the prior approval of the Commission is obtained.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-71*

*Rule 8.6 Public Offerings Of Affiliated Companies.*

Prior approval of the Commission is required for any public offering of any securities of an affiliated company:

(a) Which is not a publicly traded corporation if the securities will be offered by such an affiliated company or by a controlling person thereof.

(b) Which is a publicly traded corporation if the securities will be offered by such affiliated company and if such securities or the proceeds from the sale thereof are intended to be used:

1. To pay for construction of gaming facilities in Mississippi to be owned or operated by the affiliated company or a subsidiary of the affiliated company;
2. To acquire any direct or indirect interest in gaming facilities in Mississippi;
3. To finance the operation by the affiliated company or a subsidiary of such affiliated company of gaming facilities in Mississippi; or
4. To retire or extend obligations incurred for one or more such purposes. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-53*

*Rule 8.7 Continuous Or Delayed Public Offerings.*

(a) An affiliated company which is a publicly traded corporation may apply for approval of a continuous or delayed public offering of its securities if such an affiliated company:

1. Has a class of securities listed on either the New York Stock Exchange, the American Stock Exchange, the National Association of Securities Dealers Automatic Quotation System, or other equivalent domestic or foreign stock exchanges which are regulated in a manner which is determined to protect investors and the State of Mississippi; or has stockholders' equity in an amount of \$15 million or more as reported in its most recent report on Form 10-K or Form 10-Q filed with the United States Securities and Exchange Commission immediately preceding the application; and
2. Has filed all reports required to be filed by section 13 or section 15(d) of the Federal Securities Exchange Act during the preceding 12 months, or for such a shorter period that such affiliated company has been required to file such reports.

(b) The Commission may grant approval of a continuous or delayed offering for a period of up to three years. An approval granted pursuant to this regulation does not constitute an approval of other related transactions for which separate Commission or Executive Director approval is otherwise required by the Act or these regulations.

(c) If an application is approved, the affiliated company shall notify the Executive Director of its intent to make the public offering and identify the type and amount of securities it proposes to sell and the date on which it is anticipated the sale will occur. If such notification is not written, it must be followed, as soon as practicable, with a written confirmation which need not precede such sale.

(Adopted: 09/25/1991; Amended: 07/16/1998; Amended: 10/27/05.)

Source: *Miss. Code Ann. § 75-76-53*

*Rule 8.8 Certain Public Offerings And Stockholder Approvals.*

The Commission may find a publicly traded corporation unsuitable to be a holding company of a corporate license if at a time when the applicant was not subject to the jurisdiction of the Commission it obtained the approval or consent of its stockholders to have a material

involvement with gaming in the State of Mississippi, and in connection with such offering, approval or consent, it did not make a full disclosure of all material facts to the offerees or its stockholders relating to such material involvement including, without limitation, a description of the nature and scope of the state and applicable local laws of Mississippi regarding gaming control. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-53*

*Rule 8.9 Approval Of Securities Issuable On Exercise Of Options Or Warrants Or Conversion Of Other Securities.*

If the Commission approves a public offering of securities which involves securities issuable on exercise of purchase rights, such approval is deemed continuing for the entire period of its exercise or convertibility and further approval is not required for the actual issuance of such securities.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-5*

*Rule 8.10 Application For Approval Of Public Offering.*

A person applying for approval of a public offering pursuant to this section shall make a full disclosure of all material facts relating thereto to the Executive Director and Commission. To the extent applicable, the application must include the following information:

- (a) A description of the securities to be offered.
- (b) The terms upon which the securities are to be offered.
- (c) The gross and net proceeds of the offering, including a detailed list of expenses.
- (d) The use of proceeds.
- (e) The name and address of the lead underwriter and the participating underwriters, if any.
- (f) The forms of the underwriting agreement, the agreement among underwriters, if any, and the selected dealers agreements, if any.
- (g) A statement of intended compliance with all applicable federal, state, local and foreign securities laws.
- (h) The names and addresses of the applicant's general counsel, local counsel, special securities counsel, independent auditors, and any special consultants on the offering.
- (i) If any securities to be issued are not to be offered to the general public, the names and addresses of the other offerees and the form of the offering thereto.
- (j) True copies or descriptions of all papers filed with the United States Securities and Exchange Commission and all material communications between the applicant and the United States Securities and Exchange Commission or, if the offering is not subject to the registration requirements of Section 5 of the Federal Securities Act other than by reason of an exemption contained in regulation A adopted pursuant to Section 3 of said Act, copies or description of all papers filed with, and all material communications between the applicant and such other governmental entity charged with securities regulation, if any. A copy of each registration statement and each amendment thereto must be filed with the Executive Director by the end of the next business day after their filing with the United States Securities and Exchange Commission. All other papers required to be included pursuant to this subsection must be filed with the Executive Director as soon as practicable. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-53*

*Rule 8.11 Coordination.*

The Executive Director and Commission will ordinarily permit an application for approval of a public offering pursuant to this regulation to be completed over a period of time as documents and information become available in accordance with the normal and customary practice in the securities industry. An application may be filed without all the information required by Section 10 if all such information required by the Executive Director and Commission is supplied prior to the sale of the securities. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-255*

*Rule 8.12 Approval Of Acquisition Of Control.*

A publicly traded corporation shall not directly or indirectly acquire control of a corporate licensee or affiliated company, and a person shall not acquire control of a publicly traded corporation which is an affiliated company, without the prior approval of the Commission. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-255*

*Rule 8.13 Application For Approval Of Acquisitions Of Control.*

An application for approval of a transaction subject to Section 11 above must contain full disclosure of all material facts relating thereto, and include to the extent applicable:

- (a) The information required by Miss. Code Ann. §75-76-255(1) (b).
- (b) The terms and provisions of the contemplated transaction.
- (c) A statement of any contemplated management and operating changes to be effected after completion of the contemplated transaction, and
- (d) Copies or descriptions of all material documents and correspondence filed with the United States Securities and Exchange Commission in connection with the contemplated transaction, if any, or, if the transaction is not subject to the Federal Securities Act, copies or descriptions of all material documents and correspondence filed with such other governmental entity charged with securities regulation, if any. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-255*

*Rule 8.14 Approval Of Plan Of Recapitalization.* Except as provided by Section 16 below, a publicly traded corporation that is an affiliated company shall not consummate a plan of recapitalization without the prior approval of the Commission. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-255*

*Rule 8.15 Approval Of Exceptional Repurchases Of Securities.* Except as provided by Section 16 below, a publicly traded corporation that is an affiliated company shall not make an exceptional repurchase of securities without the prior approval of the Commission. (Adopted: 09/25/1991.)



Source: *Miss. Code Ann. § 75-76-255*

*Rule 8.16 Exempt Transactions.* Unless otherwise required by the provisions of the Act or these regulations, and notwithstanding the provisions of Sections 14 and 15 above, the approval of the Executive Director or Commission is not required before a publicly traded corporation that is an affiliated company may repurchase securities issued by such corporation if:

- (a) The repurchase is made pursuant to contractual rights or arrangements, including without limitation puts and price guarantees, given the issuer of such securities or his designee at the time of the original issuance of the security;
- (b) The repurchase is made for purposes of compromising a bona fide dispute with a security holder arising from the original issuance of such securities;
- (c) The repurchase is made pursuant to calls or redemptions of any securities in accordance with the terms and conditions of the governing instruments of such securities;
- (d) The repurchase involves securities evidenced by a scrip certificate, order form, or similar document that represents a fractional interest in a share of stock or similar securities;
- (e) The repurchase is made pursuant to a statutory procedure for the purchase of dissenting security holders' securities;
- (f) The repurchase is made in order to comply with any court or administrative order;
- (g) The repurchase is made in accordance with or to effectuate the provisions of any employee compensation arrangement, employee stock plan, or employee benefit program including, without limitation, an employee stock ownership plan or to eliminate or cancel outstanding employee stock options or create a "disposition" for federal income tax purposes as to securities acquired as a result of the exercise of an employee incentive stock option as defined under the Internal Revenue Code;
- (h) The repurchase involves a transaction or series of related transactions occurring within a fiscal quarter in which the aggregate price of the securities purchased is less than the greater of \$1 million or five percent (5%) of the consolidated net worth of the corporation purchasing the securities determined using the most recent audited financial statements of the corporation or the financial statements most recently filed by the corporation with the Securities and Exchange Commission; or
- (i) The repurchase is made pursuant to a publicly announced open market securities repurchase program in which the price and other terms of sale are not negotiated between the purchaser and seller. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-255*

*Rule 8.17 Application For Approval Of Recapitalization Plan Or Exceptional Securities Repurchases.*

An application for approval of a plan of recapitalization subject to Section 14 or an exceptional repurchase of securities subject to Section 15 must contain full disclosure of all material facts relating thereto, and include to the extent applicable:

- (a) The terms and provisions of the contemplated transaction;
- (b) A statement of any contemplated management and operating changes to be effected after completion of the contemplated transaction.

- (c) An analysis showing on a pro forma basis the effect of the transaction on the financial statements of the publicly traded corporation that is an affiliated company.
- (d) A general description of the source of funds for the purchase and any financing arrangements.
- (e) Copies or descriptions of all material documents and correspondence filed with the United States Securities and Exchange Commission in connection with the contemplated transaction, if any, or, if the transaction is not subject to the Federal Securities Act, copies or descriptions of all material documents and correspondence filed with any other governmental entity charged with securities regulation.
- (f) Any other documents, papers, reports, or other information deemed relevant by the Executive Director. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-255*

*Rule 8.18 Powers Of Commission.*

The Commission may determine, upon the recommendation of the Executive Director, at the time of initial application by a publicly traded corporation for registration as a holding company or at any time thereafter that the public interest and the purposes of the Act require that any individual who has a material relationship to, or material involvement with, a publicly traded corporation and is subject to the jurisdiction of the Act should apply for a finding of suitability or licensing. A person may be deemed to have a material relationship to, or material involvement with, a corporation if he is a controlling person or key employee of the corporation, or if he, as an agent, consultant, advisor or otherwise, exercises a significant influence upon the management or affairs of the corporation. The foregoing powers of the Commission are not limited to individuals having a formal and direct involvement or relationship with a publicly traded corporation nor to individuals who are beneficial owners of any stated percentage of the outstanding equity securities of a public traded corporation.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-255*

*Rule 8.19 Beneficial Owners Of Voting Securities.*

- (a) The Commission shall consider the provisions of Miss. Code Ann. §75-76-263 in making its determination as to which beneficial owners of voting securities of publicly traded corporations must or may be required to be found suitable or to be licensed.
- (b) All rules and regulations of the Securities and Exchange Commission applicable in determining whether a person is the beneficial owner of a particular equity security for purposes of Section 13(d) of the Federal Securities Exchange Act may be considered by, but shall not be binding upon, the Commission in making its determination whether, and the extent to which, a person is the beneficial owner of a voting security for the purposes of Miss. Code Ann. §75-76-263 of these regulations.
- (c) Miss. Code Ann. §75-76-263 applies to every person who is, directly or indirectly, the beneficial owner of any voting security in a publicly traded corporation which is registered with the Commission, irrespective of the time of acquisition of such ownership.
- (d) If any securities of a publicly traded corporation are held in street name, by a nominee, an agent or trust, the publicly traded corporation shall render maximum assistance to the Executive

Director, upon his request, to determine the beneficial ownership of such securities. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. §§ 75-76-263*

*Rule 8.20 Officers And Employees.*

(a) The Commission shall require an application for a finding of suitability and may require licensing of any officer or employee of a publicly traded corporation whom the Commission finds to be actively and directly engaged in the administration or supervision of, or any other significant involvement with, the activities of a corporate licensee.

(b) The Commission may require an application for licensing or a finding of suitability by any officer or employee of a publicly traded corporation whose application is not otherwise required pursuant to subparagraph (a) of this regulation and Mississippi Code Annotated §75-76-257, if the Commission determines that the policies of the state regarding gaming would be served by such action.

(c) The following officers and employees of the publicly traded corporation are deemed to be actively and directly engaged in the administration or supervision of, and significantly involved with, the activities of the corporate licensee and therefore are required to be licensed or found suitable:

1. Each employee who is involved in gaming and who is also a director of the publicly traded corporation; and
2. The president, any person performing the function of principal executive officer or principal operating officer, the principal accounting officer, and secretary. (Adopted: 09/25/1991; Amended: 10/27/2005.)

Source: *Miss. Code Ann. §§ 75-76-263*

*Rule 8.21 Directors.*

(a) The Commission shall require an application for a finding of suitability and may require licensing of any director whom the Commission finds to be actively, and directly engaged in the administration or supervision of the gaming activities at a licensed gaming establishment of a licensee.

(b) The Commission may require an application for licensing or finding of suitability by any director of a publicly traded corporation whose application is not otherwise required by subparagraph (a) of this regulation and Mississippi Code Annotated §75-76-257, if the Commission determines that the policies of the state regarding gaming would be served by such action.

(c) The following persons of the publicly traded corporation are deemed to be actively and directly engaged in the administration or supervision of the gaming activities of the licensee and therefore are required to be licensed or found suitable:

1. Each person who serves as chairman of the board of directors;
2. Each person who, individually or in association with others, is the beneficial owner of greater than five percent (5%) of any class of voting securities of the registered publicly traded corporation for which he serves as a director;
3. Each person, whether as director or otherwise, who serves on the executive committee of the board of directors, or who serves on any comparable committee to which is

delegated the authority of the board of directors to act in any matter involving the activities of a licensee; and

4. Each person who has a vote on any issue before the Board of Directors who is also an employee of the corporation.

(d) The following persons of the publicly traded corporation are deemed to be actively and directly engaged in the administration or supervision of the gaming activities of the licensee and therefore are required to complete an application for suitability which will be reviewed and in the Commission's determination may be subject to a full finding of suitability investigation:

1. Each person, whether as director or otherwise, who serves as the Chairman on the audit committee; and

2. Each person, whether as director or otherwise, who serves as the Chairman on the compliance committee.

(Adopted: 09/25/1991; Amended: 10/27/2005.)

Source: *Miss. Code Ann. § 75-76-263*

#### *Rule 8.22 Appointments And Elections.*

Except in a transaction subject to Section 12 which involves a change of control of a publicly traded corporation as a whole, an individual may be appointed or elected to a position described in Section 20 or 21 without the prior approval of the Commission, and may occupy the position and exercise the authority and duties thereof until otherwise ordered by the Commission. The Commission may impose stricter requirements, including a requirement of prior approval, on any publicly traded corporation or with respect to any individual at any time. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-263*

#### *Rule 8.23 Institutional Investors*

(a) "Institutional investor" means:

1. A bank as defined in Section 3(a)(6) of the Federal Securities Exchange Act;

2. An insurance company as defined in Section 2(a)(17) of the Investment Company Act of 1940, as amended;

3. An investment company registered under Section 8 of the Investment Company Act of 1940, as amended;

4. An investment advisor registered under Section 203 of the Investment Advisors Act of 1940, as amended;

5. Collective trust funds as defined in Section 3(c)(11) of the Investment Company Act of 1940, amended;

6. An employee benefit plan or pension fund that is subject to the Employee Retirement Income Security Act of 1974, as amended, excluding an employee benefit plan or pension fund sponsored by a corporation registered with the Commission;

7. A state or federal government pension plan;

8. A group comprised entirely of persons specified in (1) through (7); or

9. Such other persons as the Commission may determine for reasons consistent with the policies expressed in the Mississippi Gaming Control Act. To qualify as an institutional investor, a person other than a state or federal government pension plan must meet the

requirements of a “qualified institutional buyer” as defined in Rule 144A of the Federal Securities Act.

(b) An institutional investor that becomes or intends to become subject to Mississippi Code Annotated §75-76-263(3) as a result of its beneficial ownership of voting securities of a corporation licensed or registered with the Commission may apply to the Executive Director for a waiver of the requirements of Mississippi Code Annotated §75-76-263(3) with respect to the beneficial ownership of the voting securities of such corporation if such institutional investor holds the securities for investment purposes only; provided, however, that an institutional investor shall not be eligible to receive or hold a waiver if the institutional investor beneficially owns, directly or indirectly, except as otherwise provided in subsection (c), more than 15 percent of the voting securities and if any of the voting securities were acquired other than through a debt restructuring. Voting securities acquired before a debt restructuring and retained after a debt restructuring or as a result of an exchange, exercise or conversion, after a debt restructuring, of any securities issued to the institutional investor through a debt restructuring, shall be deemed to have been acquired through a debt restructuring. A waiver granted under this section shall be effective only as long as the institutional investor’s direct or indirect beneficial ownership interest in such voting securities meets the limitations set forth above, and should the institutional investor’s interest exceed such limitations at any time, it shall be subject to Miss. Code Ann. §75-76-263(3), and the institutional investor shall apply within thirty (30) days thereof and without any request by the Executive Director, as otherwise provided in Miss. Code Ann. § 75-76-263(5), for a finding of suitability.

(c) An institutional investor that has been granted a waiver pursuant to subsection (b), may beneficially own more than 15 percent, but not more than 19 percent, of the voting securities of a publicly traded corporation licensed or registered with the Commission, only if such additional ownership results from a stock repurchase program conducted by such publicly traded corporation, upon the conditions that:

1. Such institutional investor does not purchase or otherwise acquire any additional voting securities of the publicly traded corporation, and
- (2) Such institutional investor reduces its ownership percentage of the publicly traded corporation to 15 percent or less within one year from the date the institutional investor receives constructive notice that it exceeded the 15 percent threshold, based on any public filing by the publicly traded corporation with the Securities and Exchange Commission.

(d) An institutional investor shall not be deemed to hold voting securities for investment purposes only unless the voting securities were acquired and are held in the ordinary course of business as an institutional investor and not for the purpose of causing, directly or indirectly, the election of a majority of the members of the board of directors, any change in the corporate charter, bylaws, management, policies or operations of the corporation licensed or registered with the Commission or any of its gaming affiliates, or any other action which the Commission finds to be inconsistent with investment purposes only. The following activities shall not be deemed to be inconsistent with holding voting securities for investment purposes only:

1. Voting, directly or indirectly through the delivery of a proxy furnished by the board of directors, on all matters voted on by the holders of such voting securities;
2. Serving as a member of any committee of creditors or security holders formed in connection with a debt restructuring;

3. Nominating any candidate for election or appointment to the board of directors in connection with a debt restructuring;
4. Accepting appointment or election as a member of the board of directors in connection with a debt restructuring and serving in that capacity until the conclusion of the member's term;
5. Making financial and other inquiries of management of the type normally made by securities analysts for informational purposes and not to cause a change in its management, policies or operations; and
6. Such other activities as the Commission may determine to be consistent with such investment intent.

(e) A request for a waiver must include:

1. A description of the institutional investor's business and a statement as to why the institutional investor is within the definition of "institutional investor" set forth in subsection (a) above.
2. A certification made under oath and the penalty of perjury, that the voting securities were acquired and are held for investment purposes only as defined herein and a statement by the signatory explaining the basis of his authority to sign the certification and to bind the institutional investor to its terms. The certification shall also provide that the applicant agrees to be bound by and comply with the Mississippi Gaming Control Act and the regulations adopted thereunder, to be subject to the jurisdiction of the courts of Mississippi, and to consent to Mississippi as the choice of forum in the event any dispute, question, or controversy arises regarding the application or any waiver granted under this section.
3. A description of all actions, if any, taken or expected to be taken by the institutional investor relating to the activities described in subsection (d).
4. The name, address, telephone number and social security number of the officers and directors, or their equivalent, of the institutional investor as well as those persons that have direct control over the institutional investor's holdings of voting securities of the corporation licensed or registered with the Commission.
5. The name, address, telephone number and social security or federal tax identification number of each person who has the power to direct or control the institutional investor's exercise of its voting rights as a holder of voting securities of the corporation licensed or registered with the Commission.
6. The name and address of each person that beneficially owns more than 5 percent of the institutional investor's voting securities or other equivalent, together with the percentage ownership of each such person.
7. A list of the institutional investor's affiliates.
8. A list of all securities of the corporation licensed or registered with the Commission that are or were beneficially owned by the institutional investor or its affiliates within the preceding year, setting forth a description of the securities, their amount, and the date of acquisition or sale.
9. A list of all regulatory agencies with which the institutional investor or any affiliate that beneficially owns voting securities of the corporation licensed or registered with the Commission files periodic reports, and the name, address, and telephone number of the person, if known, to contact at each agency regarding the institutional investor.

10. A disclosure of all criminal or regulatory sanctions imposed during the preceding 10 years and of any administrative or court proceedings filed by any regulatory agency during the preceding 5 years against the institutional investor, its affiliates, any current officer or director, or any former officer or director whose tenure ended within the preceding 12 months. As to a former officer or director, such information need be provided only to the extent that it relates to actions arising out of or during such person's tenure with the institutional investor or its affiliates.

11. A copy of the institutional investor's most recent Schedule 13D or 13G and any amendments thereto filed with the United States Securities and Exchange Commission concerning any voting securities of the corporation registered with the Commission.

12. A copy of any filing made under 15 U.S.C. 18a with respect to the acquisition or proposed acquisition of voting securities of the corporation registered with the Commission.

13. Any additional information the Executive Director or the Commission may request.

(f) The Commission shall consider all relevant information in determining whether to grant a waiver requested pursuant to subsection (b), including but not limited to:

1. Whether the waiver is consistent with the policy set forth in Mississippi Code Annotated §§ 75-76-3 and 245;
2. The factors set forth within Regulation II. H. Section 4; and
3. Any views expressed to the Commission by the corporation or any licensed affiliate thereof.

(g) An institutional investor that has been granted a waiver of a finding of suitability and that subsequently intends not to hold its voting securities of the corporation for investment purposes only, or that intends to take any action inconsistent with its prior intent shall, within 2 business days after its decision, deliver notice to the Executive Director in writing of the change in its investment intent. The Executive Director may then take such action under the provisions of Miss. Code Ann. § 75-76-263(3) as he deems appropriate.

(h) A waiver of the requirements of Miss. Code Ann. § 75-76-263(3) that has been granted pursuant to this section and Miss. Code Ann. § 75-76-201(2) shall not be construed as a waiver of or exemption from the prior approval requirements of Regulation II. H. Section 12. An institutional investor that intends to apply for a waiver of the requirements of Miss. Code Ann. § 75-76-263(3) pursuant to this section must also simultaneously apply to the Commission for an exemption from the prior approval requirements of Regulation II. H. Section 12 if the proposed acquisition would give the institutional investor, directly or indirectly, the power to direct or cause the direction of the management and policies of the corporation.

(i) If the Executive Director finds that an institutional investor has failed to comply with the provisions of this section, or should be subject to a finding of suitability to protect the public interest, the Executive Director may, in accordance with Miss. Code Ann. § 75-76-263(3), require the institutional investor to apply for a finding of suitability. The institutional investor affected by the action taken by the Executive Director may request a hearing on the merits of such action. The hearing shall be included on the agenda of the next regularly scheduled Commission meeting occurring more than 10 working days after the request for hearing. Upon good cause shown by the institutional investor, the Executive

Director may waive the 10-day requirement and place such hearing on an earlier Commission agenda. The Commission, for any cause deemed reasonable, may by a majority vote, sustain, modify or reverse the decision of the Executive Director, or remand the matter to the Executive

Director for such further investigation and reconsideration as the Commission may order. While the application for a finding of suitability or Commission review of the Executive Director's action requiring the filing of such application is pending, the institutional investor shall not, directly or indirectly, cause or attempt to cause any management, policy, or operating changes in the corporation or any gaming affiliate and shall not purchase or otherwise acquire any additional voting securities of the corporation.

(j) Any corporation licensed or registered with the Commission or any registered or licensed subsidiary thereof shall immediately notify the Executive Director of any information about, fact concerning or actions of, an institutional investor holding any of its voting securities, that may materially affect the institutional investor's eligibility to hold a waiver under this section. (Adopted: 11/20/2002.)

Source: *Miss. Code Ann. § 75-76-263*

## **Part 2 Chapter 9: TRANSFERS OF OWNERSHIP; LOANS; LEASES**

### *Rule 9.1 Transfers Of Ownership In General.*

(a) No person shall sell, purchase, assign, lease, grant or foreclose a security interest, hypothecate or otherwise transfer, convey or acquire in any manner whatsoever any interest of any sort whatever in or to any licensed gaming operation or any portion thereof, or enter into or create a voting trust agreement or any other agreement of any sort in connection with any licensed gaming operation or any portion thereof, except in accordance with law and these regulations.

(b) No licensee shall permit any person to make any investment whatever in, or in any manner whatever participate in the profits of, any licensed gaming operation, or any portion thereof, except in accordance with law and these regulations.

(c) No person shall transfer or convey in any manner whatsoever any interest of any sort whatever in or to any licensed gaming operation, or any portion thereof, to, or permit any investment therein or participation in the profits thereof by, any person acting as agent, trustee or in any other representative capacity whatever for or on behalf of another person without first having fully disclosed all facts pertaining to such representation to the Executive Director. No person acting in any such representative capacity shall hold or acquire any such interest or so invest or participate without first having fully disclosed all facts pertaining to such representation to the Executive Director and obtained written permission of the Commission to so act.

(d) This regulation shall apply to transfers of interest in corporate licensees and holding companies, but shall not apply to transfers of interest in publicly traded corporations. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-207*

### *Rule 9.2 Approval Required.*

(a) Except as and to the extent provided in these regulations pertaining to emergency situations, no individual who is the owner of any interest in a licensed gaming operation shall in any manner whatsoever transfer any interest therein to any person, firm or corporation, and no such transfer shall become effective for any purpose without the prior approval of the Commission.



(b) Applications for a transfer of interest to a person who is not already the owner of an interest in the licensed gaming operation, except the granting of a possessory security interest in equity securities of a licensee or of a holding company, shall be made by the transferee applying for licensing or registration pursuant to the Act and these regulations.

(c) Evidence of the transferor's agreement to transfer the interest applied for must accompany the application. Licensing or registration of the transferee shall be deemed to constitute approval of the transfer by the Commission.

(d) Applications for approval of the granting of a possessory security interest shall be made in writing to the Executive Director. The application shall set forth all material facts relating to the transaction and be accompanied by copies of the documents evidencing the transaction. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-207*

*Rule 9.3 Duties Of Corporations And Agents.* No licensee or holding company, or officer, director or transfer agent thereof, shall cause or permit any stock certificate or other evidence of beneficial interest therein to be registered in its books or records in the name of any nominee, agent, trustee or any other person other than the true and lawful owner of the beneficial interest therein without written permission of the Executive Director to do so. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-207*

*Rule 9.4 Escrow Required.* Except as and to the extent provided in these regulations pertaining to emergency situations, no money or other thing of value constituting any part of the consideration for the transfer or acquisition of any interest in a licensed gaming operation, in a licensee or in a holding company shall be paid over, received or used until complete compliance has been had with all prerequisites set forth in the law and these regulations for the consummation of such transaction; but such funds may be placed in escrow pending completion of the transaction. Any loan, pledge or other transaction between the parties or with other parties may be deemed an attempt to evade the requirements of this regulation and, as such, in violation of this regulation. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-207*

*Rule 9.5 Emergency Situations.* If a transfer of an interest in a licensed gaming operation, in a licensee or in a holding company, is contemplated and, in the opinion of the Commission, the exigencies of the situation require that the proposed transferee or transferees be permitted to make available funds or credit for use in connection with such licensed gaming operation or establishment during the pendency of an application for a license or to be permitted to acquire such interest, the Commission may waive the requirements of Section 4 of this regulation in accordance with the procedures hereinafter set forth. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-207*

*Rule 9.6 Application For Permission To Participate.*

(a) A proposed transferee of an interest who desires to make available funds or credit for use in the operation of the licensed establishment or games prior to actual completion of the transfer of interest in accordance with the foregoing regulations shall make written application to the Executive Director for permission to so participate, setting forth, under oath, facts showing the necessity of such participation, together with the following information:

1. The extent to which and the manner in which the proposed transferee desires to participate pending completion of the proposed transfer.
2. A complete financial statement and a statement showing sources of all funds to be used in connection with the proposed transfer of interest and in the participation prior to transfer.
3. A full and complete statement of the proposed plan for effecting the proposed transfer of interest, including:
  - i. The extent of the interest to be transferred;
  - ii. The date on which it is desired to complete the transfer;
  - iii. The total consideration to be paid and the time and manner of payment hereof;
  - iv. Details of any other financial arrangements between all parties involved; and
  - v. Details of all other pertinent arrangements between the parties.
4. Full, true and correct copies of all documents pertaining to the proposed transaction or transactions, including all agreements between the parties, leases, notes, mortgages or deeds of trust, and pertinent agreements or other documents with or involving third parties.
5. The names and addresses of all persons with whom the proposed transferee expects to be associated in connection with the operation of the licensed games or establishment, or both.
  - i. If two or more individuals desire to participate in the operation of a licensed establishment or games as a group, whether as individuals or as stockholders, officers or directors of a corporation or other business entity, joint application may be made in accordance with subsection (a) above.
  - ii. If the emergency requiring immediate participation consists of the actual or threatened insolvency of a licensee or holding company, the application will not be granted unless the applicant demonstrates the immediate and unqualified availability of sufficient funds and credit to cure such emergency to the same extent that such funds and credit would be required in connection with an application for licensing or registration not involving actual or threatened insolvency.
  - iii. The Executive Director may require an applicant for permission to participate to furnish such additional information as it may desire before acting on the application.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* § 75-76-209

*Rule 9.7 Permission To Participate.* After receipt of a proper application for permission to participate and such additional information as the Executive Director or the Commission may

require, and after such investigation as the Executive Director or the Commission deems necessary, the Commission may grant emergency permission for a proposed transferee to make available funds or credit in the operation of the licensed games or establishment, licensee or holding company. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-209*

*Rule 9.8 Extent Of Participation Permitted.*

(a) Pending final action on the application of a proposed transferee, the existing licensee or licensees will be held responsible for the conduct of the licensed games or establishment, for all license fees payable, and for all acts or omissions of proposed transferees participating in the operation.

(b) Except as hereinafter provided, no proposed transferee who has been granted such emergency permission to participate shall be permitted to withdraw or receive any portion of the profits of such establishment or licensee or holding company derived from gaming until final approval of the proposed transfer of interest has been granted by the Commission. If granted, such approval shall be retroactive to the date of emergency permission to participate.

(c) A proposed transferee who has been granted emergency permission to participate and who actually renders services may be paid a salary or otherwise be compensated for such actual services, but such salary or other compensation shall not exceed the usual and customary compensation in the industry for similar services.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-209*

*Rule 9.9 Application For License.*

Any proposed transferee to whom emergency permission to participate has been granted shall, within ten (10) days thereafter if he has not already done so, make formal application for licensing, registration, or approval as required by law and these regulations.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. §§ 75-76-209; 75-76-105*

*Rule 9.10 Effect Of Permission To Participate; Withdrawal.*

(a) The granting of emergency permission to participate is a revocable privilege, and is not to be construed as a finding on the part of the Commission that the proposed transferee is qualified or suitable to hold a state gaming license or to be registered or to be approved. Such permission will be without prejudice to any action that the Commission may take with respect to any application for final approval of the proposed transfer of interest.

(b) Emergency permission to participate may be withdrawn summarily at any time in the absolute discretion of the Commission, without notice or hearing or other proceedings of any kind.

(c) Upon receipt of notice that emergency permission to participate has been withdrawn the proposed transferee shall be immediately disassociated from any participation whatever in the operation of the licensed establishment, licensee or holding company. Any money or other thing

of value which may have been invested or made use of in the operation of the licensed establishment, licensee or holding company shall be forthwith returned to the proposed transferee or deposited in escrow in compliance with Section 4 of this regulation. Any participation whatever on the part of a proposed transferee after notice of withdrawal of emergency permission to participate may be deemed to be in violation of law and these regulations and, as such, grounds for denial of the application of the proposed transferee and also grounds for disciplinary action against the existing license, registration or approval. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* §§ 75-76-209; 75-76-105

*Rule 9.11 Loans To Licensees and Other Reportable Transactions.*

(a) Any licensee that receives, accepts, or makes use of any cash, property, credit, guaranty, benefit or any form of security loaned to, or provided for or on behalf of the licensee or an officer, director, agent employee or stockholder of the licensee, in a transaction required to be reported under subsections (b) or (c) hereof, must report the transaction to the Executive Director in the manner required herein within thirty (30) days after the transaction is consummated. A transaction is considered consummated the earlier of the contract date or the date the cash, property, credit, guaranty, benefit or security is received.

(b) Except as exempted from reporting as provided in subsection (e) hereof, each of the following transactions must be reported to the Executive Director if the dollar amount of the transaction or the fair market value of the assets involved exceeds \$300,000 or the average monthly payment exceeds \$50,000:

1. Deposits received by the licensee pursuant to an arrangement for use of space at the licensee's establishment.
2. Installment purchase contracts.
3. Property donated to the licensee.
4. All renewals, changes or modifications to the terms or conditions of transactions previously reported under this section must be reported.

(c) Except as exempted from reporting as provided in subsection (e) hereof, each of the following transactions must be reported to the Executive Director if the dollar amount of the transaction exceeds \$50,000:

1. Loans, mortgages, and trust deeds.
2. Capital contributions and loans by a person who is a stockholder, partner or proprietor of the licensee.
3. Safekeeping deposits that are commingled with the licensee's funds.
4. Lines of credit.
5. Accounts payable and accrued expenses due to unaffiliated persons where the payment terms or actual length of payments exceed twelve (12) months.
6. Conversions of accounts payable, accrued expenses or other liabilities to notes payable.
7. Debts forgiven by a lender.
8. Guaranties received by the licensee.
9. Accruals of salary due to an individual directly or indirectly owning an interest in the licensee where the accrual period exceeds ninety (90) days.

10. Financing of gaming devices or associated equipment installed and used during a trial period authorized by the Executive Director.

11. Cash, property, credit, services, guaranty, benefit or any form of security loaned to or provided for or on behalf of the licensee by a licensed or unlicensed affiliate or subsidiary, registered parent of the licensee, stockholder, partner, or proprietor of the licensee.

12. All renewals, changes or modifications to the terms or conditions of transactions previously reported under this section must be reported.

(d) For purposes of this regulation, those transactions in subsections (b) and (c) that occur no more than thirty (30) days apart from a single source shall be considered a single transaction and must be reported if the total amount exceeds the thresholds stated.

(e) The following transactions need not be reported to the Executive Director regardless of the dollar amount of the transaction, fair market value of the assets involved, or average monthly payment:

1. Draws against a previously reported extension of credit.

2. Except for items specifically described in subsections (b) or (c), goods or services which are exchanged for other goods or services of an affiliate of the licensee.

3. Short-term cash loans which have a payback period of less than seven (7) days and are provided to the licensee on a regularly recurring basis, provided the terms and conditions of the arrangement have not changed, and provided the initial loan or financing arrangement has been reported.

4. Loans and other financing activities that were approved by Commission action, provided the terms and conditions of the arrangements have not changed.

5. Funds received by the licensee in satisfaction of accounts or notes receivable.

6. Payments of gaming winnings over time to patrons pursuant to Section III. A. 9, provided that any required approvals have been obtained.

7. Deposits or payments received by the licensee in conjunction with a convention or similar event.

8. Financing activity that has been filed and administratively approved by the Commission or Executive Director.

(f) The report to the Executive Director required by this section must include the names and addresses of all parties to the transaction, the amount and source of the funds, property or credit received or applied, the nature and amount of the security provided by or on behalf of the licensee, the purpose of the transaction, and any additional information the Executive Director may require. The report must also identify the dates of each loan or contribution. The report must be made on the Loan to Licensees and Lease Transaction Reporting Form, or such other form as the Executive Director may hereafter require, with a fully executed copy of the financing agreement, and signed by an owner or key employee under oath.

(g) In the event a party to any transaction reportable pursuant to this regulation is a person other than the reporting licensee or its affiliate, subsidiary or registered holding company, or a financial institution or related subsidiary, or a publicly traded company, the report must be accompanied by a supplemental filing which must include that person's federal tax identification number or social security number and date of birth, banking references, and source of funds, and any additional information the Executive Director may require. The report must be made on the Loan to Licensees and Lease Supplemental Information Form, or such other form as the Executive Director may hereafter require.

(h) If, after such investigation as the Executive Director deems appropriate, the Commission finds that a reported transaction is inimical to the public health, safety, morals, good order or general welfare of the people of the State of Mississippi, or would reflect, or tend to reflect, discredit upon the State of Mississippi or the gaming industry, it may order the transaction rescinded within such time and upon such terms and conditions as it deems appropriate.

(i) A bankruptcy filing by a licensee does not relieve that licensee of the reporting requirements of this regulation.

(j) The Executive Director may waive one or more of the provisions of this section or require a report of a transaction not otherwise addressed in this section or a supplemental filing, upon a finding that the waiver, reporting requirement or supplemental filing is consistent with the public policy of the State of Mississippi, as set forth in Section 75-76-3 of the Mississippi Code, as amended.

(Adopted: 09/25/1991; Amended: 9/21/2000.)

Source: *Miss. Code Ann. § 75-76-103*

*Rule 9.12 Finding Of Suitability Of A Person Holding An Option To Acquire An Interest In A General Partnership, Limited Partnership, Or Corporate Licensee.*

(a) No person shall acquire or be granted an option to purchase an interest in a general partnership, limited partnership, or corporate licensee without first notifying the Executive Director, on such forms as may be required by the Executive Director, of the terms and conditions upon which the option was granted or acquired.

(b) The Commission may, upon a recommendation by the Executive Director, require the application of any person for a determination of suitability to hold an option to purchase or otherwise obtain an interest in a general partnership, limited partnership, or corporate licensee.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-237*

*Rule 9.13 Leases.*

(a) Definitions. In addition to the terms defined in the Act and the regulations thereunder, the following definitions shall apply in this regulation:

1. "Lessor" means any person who leases or rents any property, real or personal, to an operating licensee or to a person who, in turn, leases or rents property to an operating licensee.

2. "Lease" means any formal or informal, written or oral, contract or understanding or arrangement whereby any operating licensee obtains the use or possession of any property, real or personal, to be used, occupied, or possessed in connection with any gaming establishment. The term "lease" includes, without limitation, payments made to an affiliated person under a real property lease or a personal property lease.

3. "Operating licensee" means the person or entity to whom a state gaming license has been issued for the conduct of gaming. The term does not include persons or entities which have been issued licenses or findings of suitability as officers, directors, stockholders, or key employees.

(b) Each of the following transactions must be reported by the operating licensee to the Executive Director if the dollar amount of the transaction exceeds \$50,000:

1. Leases, including leaseback transactions and capital leases.
  2. Leases, other than vehicle leases, where an option to purchase exists.
  3. Leases of any associated equipment.
  4. All renewals, changes or modifications to the terms or conditions of transactions previously reported under this section must be reported.
- (c) For purposes of this regulation, those transactions in subsection (b) that occur no more than thirty (30) days apart from a single source shall be considered a single transaction and must be reported if the total amount exceeds the threshold stated.
- (d) Reports by operating licensee. The operating licensee shall report to the Executive Director all leases to which it is a party not later than 30 days after the effective date of the lease and shall include the following information:
1. The name, address, and a brief statement of the nature of the business of the lessor.
  2. A brief description of the material terms of the lease.
  3. A brief description of any business relationships between the operating licensee and the lessor other than by the lease. The report must be made on the Loan to Licensees and Lease Transaction Reporting Form, or such other form as the Executive Director may hereafter require, with a fully executed copy of the lease, and signed by an owner or key employee under oath.
- (e) In the event a party to any transaction reportable pursuant to this regulation is a person other than the reporting licensee or its affiliate, subsidiary or registered holding company, or a financial institution or related subsidiary, or a publicly traded company, the report must be accompanied by a supplemental filing which must include that person's federal tax identification number or a social security number and date of birth, banking references, and source of funds, and any additional information the Executive Director may require. The report must be made on the Loan to Licensees and Lease Supplemental Information Form, or such other form as the Executive Director may hereafter require.
- (f) If, after such investigation as the Executive Director deems appropriate, the Commission finds that a reported transaction is inimical to the public health, safety, morals, good order or general welfare of the people of the State of Mississippi, or would reflect, or tend to reflect, discredit upon the State of Mississippi or the gaming industry, it may order the transaction rescinded within such time and upon such terms and conditions as it deems appropriate.
- (g) A bankruptcy filing by a licensee does not relieve that licensee of the reporting requirements of this regulation.
- (h) Leases between two Mississippi licensees are exempt from this reporting requirement.
- (i) The Executive Director may waive one or more of the provisions of this section or require a report of a transaction not otherwise addressed in this section or a supplemental filing, upon a finding that the waiver, reporting requirement or supplemental filing is consistent with the public policy of the State of Mississippi, as set forth in Section 75-76-3 of the Mississippi Code, as amended.

(Adopted: 09/25/1991; Amended: 09/21/2000.)

Source: *Miss. Code Ann.* §§ 75-76-3, 75-76-103

*Rule 9.14 Death Or Disability Of Licensee.*

- (a) In the event of the death or judicially established disability of a licensee or a stockholder of a corporate licensee, the spouse, next of kin, personal representative or guardian of such deceased

or disabled person or the person in charge of the licensed establishment, or, in the case of a corporate licensee, a managing officer of such corporation, shall notify the Executive Director immediately of the fact of such death or disability.

(b) In case such deceased or disabled person is the sole licensee for an establishment, the Executive Director may, in his sole and absolute discretion, authorize the spouse, next of kin, personal representative or guardian for a license to operate such establishment.

(c) In any case in which the interest held by such deceased or disabled person in any licensed establishment would pass by operation of law or otherwise to his estate or to any person other than a co-licensee, such person or the personal representative or guardian of the deceased or disabled person shall, within thirty (30) days after the date of death or disability, make application to the Executive Director for a temporary license as successor in interest, representative or guardian, whichever is appropriate.

(d) The Executive Director may, if satisfied of the necessity of such action, recommend to the Commission that a temporary license be issued to the applicant for such period of time as he may deem necessary. Such temporary license will entitle the person named therein to take part in the operation of such establishment and to receive profits therefrom as successor in interest, representative or guardian of the deceased or disabled person. Such temporary license may not be assigned in whole or in part.

(e) No licensee shall permit any spouse, heir, next of kin, personal representative or guardian to take part in the operation of the licensed establishment, nor pay over to such person any part of the profits of such operation which accrue after the date of death or disability, unless such person is either a co-licensee or the holder of a temporary license as successor in interest, representative or guardian.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* §§ 75-76-21, 75-76-23

#### *Rule 9.15 Insolvency Of A Licensee.*

(a) In the event that a licensee files any petition with the bankruptcy court for relief as a debtor or has such a petition filed against it, or a receiver is appointed for such licensed business or an assignment of such business is made for the benefit of creditors, the licensee, trustee, receiver or assignee, as the case may be, shall immediately notify the Executive Director of such fact in writing. Such written notice shall have attached a copy of the petition filed with the court, and any relevant court orders such as orders appointing trustees, receivers, or assignees.

(b) No licensed establishment shall be operated by any trustee, receiver or assignee for the benefit of creditors until such operation has been authorized by the Commission.

(c) Any such trustee, receiver, or assignee desiring to continue operation of the licensed establishment shall immediately make application for permission to do so. Application shall be made in the same manner as an application for an initial license; but the operation, if approved, shall be deemed to continue under the existing license of the establishment.

(d) Permission for such trustee, receiver, or assignee to continue the operation of the licensed establishment may be summarily withdrawn at any time in the discretion of the Commission without the necessity of any hearing or proceedings for revocation or suspension. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann* §§ 75-76-21, 75-76-23



## Part 2 Chapter 10: GAMING EMPLOYEES

### *Rule 10.1 Work Permits Required.*

- (a) No person shall be employed as a gaming employee unless such person is the holder of a valid work permit issued by the Commission.
  - (b) Every licensee, shall, before employing any person in connection with the licensed gaming operation, ascertain that such person holds a valid work permit issued in accordance with this regulation, and shall cause his employment records to reflect such fact. No work permit shall be effective for more than three (3) years from the date of issue. A permit may be issued for a period of less than three (3) years within the discretion of the Executive Director. A work permit expires unless renewed within ten (10) days after a change of place of employment, or if the holder is unemployed as a gaming employee within the jurisdiction of the Mississippi Gaming Commission for more than ninety (90) days. Complete renewal applications must be received by the Mississippi Gaming Commission at least thirty (30) days prior to the date of expiration of an employee's existing work permit.
  - (c) Every gaming employee shall keep his work permit on his person and available for inspection at all times when actively engaged in the conduct of gaming operations.
  - (d) Each work permit holder shall report any arrest or conviction to the Mississippi Gaming Commission within ten (10) days after such conviction or arrest.
  - (e) Each employee of a holding company, intermediary company or affiliated company of a licensee who is directly or indirectly engaged in the administration or supervision of the gaming operations or physical security activities of such licensee and performs such duties at any time on the premises of the licensee shall obtain a work permit.
  - (f) Each employee of a holding company, intermediary company or affiliated company, contract employee, agent, attorney, accountant or other representative performing services, other than maintenance, for the licensee must hold a valid work permit or finding of suitability in order to enter surveillance, soft count, hard count or any cage area.
- (Adopted: 09/25/1991; Amended: 10/22/1998; Amended: 02/19/2003.)

Source: *Miss. Code Ann. §§ 75-76-57, 75-76-61*

### *Rule 10.2 Application For Work Permit; Procedure.*

- (a) The Mississippi Gaming Commission will process all work permit applications, to include taking photographs and fingerprints from all applicants. The Commission shall conduct background investigations on all work permit applicants. The applicant shall provide any information requested by the Executive Director in order to allow for a complete investigation of the applicant's background.
- (b) An applicant for a work permit shall pay the application fee established by the Executive Director, which shall be sufficient to cover the costs of processing the application.
- (c) The Executive Director shall investigate the applicant and may either grant or deny the work permit. The burden is on the applicant at all times to prove suitability for a work permit.
- (d) The Executive Director shall refuse to issue a work permit if the applicant has:
  - 1. committed, attempted or conspired to commit a crime which is a felony in Mississippi or an offense in any other jurisdiction which would be a felony if committed in Mississippi regardless of whether the charges have been non-adjudicated or expunged;
- (e) The Executive Director may refuse to issue a work permit if the applicant has:

1. failed to disclose, misstated or otherwise attempted to mislead the Commission with respect to any material fact contained in the work permit application;
2. knowingly failed to comply with the provisions of the Gaming Control Act, MGC regulations, and /or internal controls of a gaming licensee as filed with and approved by the Commission;
3. committed, attempted or conspired to commit any crime of moral turpitude, embezzlement or larceny or any violation of any law pertaining to gaming or any crime which is inimical to the declared policy of Mississippi concerning gaming including, but not limited to, the following: any misdemeanor theft convictions, excluding first time conviction for false pretense/bad checks (false pretense) during the three (3) years prior to the date of application;
  - i. any misdemeanor drug convictions during the three (3) years prior to the date of application;
  - ii. any misdemeanor convictions pertaining to gaming or gambling during the three (3) years prior to the date of application;
  - iii. any misdemeanor convictions pertaining to crimes of violence during the three (3) years prior to the date of application; and
  - iv. any pattern of criminal offenses making an applicant unsuitable;
4. been identified in published reports of any federal or state legislative or executive body as being a member or associate of organized crime, or as being of notorious and unsavory reputation;
5. been placed and remains in the constructive custody of any federal, state or municipal law enforcement authority when the crime involved would be a crime constituting grounds for denial of an application;
6. had a work permit revoked or committed any act which is a ground for the revocation of a work permit or would have been a ground for revoking a work permit if the applicant had been holding a work permit at that time.
7. failed to complete the application process for a gaming work permit by:
  - i. failing to submit to additional fingerprinting where initial fingerprints are insufficient for proper analysis;
  - ii. failing to provide the Commission with court records and/or other requested documents detailing the disposition of previous arrests and/or convictions as well as facts and circumstances of the underlying offense(s); or
  - iii. failing to provide any other requested information necessary to determine the suitability of the applicant. The above enumerated reasons for denial shall not limit the Executive Director's discretion to deny an applicant if that applicant has committed, attempted or conspired to do any act which is inimical to the best interest of gaming in Mississippi. (Adopted: 09/25/1991; Amended: 03/29/1993; Amended: 10/22/1998.)

Source: *Miss. Code Ann.* §§ 75-76-63, 75-76-67

*Rule 10.3 Procedure For Hearing After Denial By Executive Director.*

(a) If the Executive Director denies an application for a work permit and the applicant requests a hearing pursuant to *Miss. Code Ann.* 75-76-131(5), the hearing examiner shall schedule a hearing as soon as practicable after receipt of the request.

(b) At the hearing, the Executive Director shall present any evidence supporting his reasons for denial and the applicant shall then present any evidence controverting the Executive Director's reasons.

(c) Each party may cross-examine all witnesses and may subpoena witnesses to testify or produce evidence at the hearing. The hearing examiner shall issue subpoenas upon the request of a party, but for good cause shown may limit or quash any subpoena issued.

(d) No discovery shall be permitted except upon a finding of good cause justifying the discovery sought.

(e) The standard of review to be used by a hearing examiner is identical to the scope of review a court would have of a final commission action. The Hearing Examiner is to focus on the Commission regulations, policies and procedures, as well as the Commission's adherence to its own regulations and fairness of enforcing the Gaming Control Act and Mississippi Gaming Commission Regulations; then determine only whether the Commission is in compliance with those regulations.

(f) Notwithstanding any other regulations concerning denial of work permits, the Hearing Examiner shall have discretion to recommend grant or denial of a permit and the Mississippi Gaming Commission shall have discretion to grant or deny a permit, except as proscribed by statute. Factors to be considered in the exercise of discretion include, but are not limited to:

1. the nature and character of the offense or other matters alleged against the applicant, including all surrounding facts and circumstances, whether or not resulting in conviction;
2. the length of time since commission of the offense or other matters alleged;
3. all criminal history of the applicant, including arrests, considering the type, frequency and number of arrests and convictions, before and after the offense or matter alleged; and
4. whether it is in the best interests of gaming for the applicant to hold a work permit.

(g) Hearing Examiners shall be chosen as follows; either from the Attorney General's office, a contracted private party or an individual whose expertise is relevant to properly interpret and enforce the Gaming Control Act and Mississippi Gaming Commission Regulations. Hearings may be conducted by telephone if the parties agree. (Adopted: 09/25/1991; Amended: 03/29/1993; Amended: 10/22/1998)

Source: *Miss. Code Ann.* §§ 75-76-75

*Rule 10.4 Revocation of Work Permit; Procedure.*

(a) The Executive Director shall recommend that the Commission revoke the work permit of a gaming employee if the gaming employee:

1. is convicted of any violation of the Gaming Control Act or if in investigating an alleged violation of the Gaming Control Act by any licensee the Executive Director or the Commission finds that a gaming employee employed by the licensee has been guilty of cheating.

(b) The Executive Director may recommend that the Commission revoke the work permit of a gaming employee if, subsequent to being issued a work permit, the gaming employee:

1. fails to disclose, misstates or otherwise misleads the Commission with respect to any fact contained within any application for a work permit.
2. commits, attempts or conspires to do any of the acts prohibited by the Gaming Control Act;

3. knowingly possesses or permits to remain in or upon any licensed premises any cards, dice, mechanical device or any other cheating device whatever the use of which is prohibited by statute or ordinance;
4. conceals or refuses to disclose any material fact in any investigation by the Executive Director or the Commission;
5. commits, attempts or conspires to commit larceny or embezzlement against a gaming licensee or upon the premises of a licensed gaming establishment;
6. is convicted in any jurisdiction other than Mississippi of any offense involving or relating to gambling;
7. accepts employment without prior commission approval in a position for which he is required to be licensed under this chapter after having been denied a license for a reason involving personal unsuitability or after failing to apply for licensing when requested to do so by the Commission or the Executive Director;
8. is refused the issuance of any license, permit or approval to engage in or be involved with gaming in any jurisdiction other than Mississippi, or had any such license, permit or approval revoked or suspended;
9. is prohibited under color of governmental authority from being present upon the premises of any gaming establishment for any reason relating to improper gambling activities or any illegal act;
10. contumaciously defies any legislative investigative committee or other officially constituted bodies acting on behalf of the United States or any state, county or municipality which seeks to investigate crimes relating to gaming, corruption of public officials, or any organized criminal activities; Or,
11. is convicted of any felony or misdemeanor, other than one constituting a violation of the Gaming Control Act.

(c) A work permit shall not be issued to a person whose work permit has previously been revoked pursuant to this section or to whom the issuance or renewal of a work permit has been denied, except with the unanimous approval of the Commission members. Applicants who have been denied or revoked pursuant to Rule 10.2(d) are not eligible to request unanimous approval. (Adopted: 10/22/1998.)

Source: *Miss. Code Ann. § 75-76-137*

*Rule 10.5 Procedure for Hearing After Recommendation of Revocation By Executive Director.*

- (a) If the Executive Director recommends the revocation of a gaming work permit, the matter will be set for hearing before a hearing examiner. The Hearing Examiner shall schedule a hearing as soon as practicable after receipt of the recommendation from the Executive Director.
- (b) At the hearing, the Executive Director shall present any evidence supporting his reasons for revocation and the applicant shall then present any evidence controverting the grounds for revocation.
- (c) Each party may cross-examine all witnesses to testify or produce evidence at the hearing. The hearing examiner shall issue subpoenas upon the request of a party, but for good cause shown may limit or quash any subpoena issued.
- (d) No discovery shall be permitted except upon a finding of good cause justifying the discovery sought.

(e) The Hearing Examiner is to focus on the Commission regulations, policies and procedures, as well as the Commission's adherence to its own regulations and fairness of enforcing the Gaming Control Act and Mississippi Gaming Commission Regulations; then determine only whether the Commission is in compliance with those regulations.

(f) Notwithstanding any other regulations concerning revocation of work permits, the Hearing Examiner shall have discretion to recommend revocation or continuation of a work permit and the Mississippi Gaming Commission shall have discretion to revoke or continue a work permit, except as proscribed by statute. Factors to be considered in the exercise of discretion include, but are not limited to:

1. the nature and character of the offense or other matters alleged against the applicant, including all surrounding facts and circumstances, whether or not resulting in conviction;
2. the length of time since commission of the offense or other matters alleged;
3. all criminal history of the applicant, including arrests, considering the type, frequency and number of arrests and convictions, before and after the offense or matter alleged; and
4. whether it is in the best interests of gaming for the applicant to hold a work permit.

(g) Hearing Examiners shall be chosen as follows; either from the Attorney General's Office, a contracted private party or an individual whose expertise is relevant to properly interpret and enforce the Gaming Control Act and Mississippi Gaming Commission Regulations. Hearings may be conducted by telephone if the parties agree.

(h) The Commission or its Hearing Examiner may recall and declare void work permits or other approvals that were granted contrary to the provisions of the Gaming Control Act or Mississippi Gaming Commission Regulations. (Adopted: 10/22/1998.)

Source: *Miss. Code Ann. § 75-76-137*

*Rule 10.6 Work Permit Applications After Objection Or Revocation.*

(a) An application filed pursuant to Miss. Code Ann. §75-76-131 for the reconsideration of an objection to the issuance of a work permit or for the reinstatement of a work permit previously revoked must not be entertained by the Commission for a period of one (1) year following either a decision by the Commission upon the same matter or the failure of the person seeking the work permit to pursue all administrative remedies provided by Section 66.

(b) Applications for reconsideration of work permit actions by the Commission will be referred to the Executive Director for investigation and review. The Executive Director shall thereafter make a recommendation to the Commission regarding the application.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-131*

*Rule 10.7 Employee Report.*

(a) Annually, on or before the 1st of July, each licensee shall submit an "Annual Employee Report" to the Executive Director on a form to be furnished by the Executive Director. The report shall identify every individual who is directly or indirectly engaged in the administration or supervision of the gaming operations or physical security activities of such licensee. The following classes of gaming employees are presumed to be actively and directly engaged in the administration or supervision of gaming:

1. All individuals who are compensated in any manner in excess of \$100,000 per annum;

2. All individuals who may approve or extend gaming credit in any amount, or whose recommendations in this regard are ordinarily sought or followed;
  3. All individuals who have authority to hire or terminate gaming employees;
  4. All individuals who have the authority to supervise or direct a shift of any gaming or security activity, including but not limited to supervision or direction of the pit area, keno games, slot machines, or any persons having authority to supervise or direct such persons;
  5. All individuals who supervise the count teams and all individuals responsible for directing each shift involving a count team;
  6. All individuals who may approve or extend to casino patrons complimentary house services other than beverages only;
  7. All individuals who supervise or direct other employees engaged in the control of gaming assets and revenues and record keeping, including the recording of cash and evidences of indebtedness, and the maintenance, review or control of the records, accounts, and reports of transactions which are required to be kept pursuant to these regulations;
  8. Any individual who has been specifically represented to the Executive Director or Commission by a licensee or any officer or director thereof as being important or necessary to the operation of the gaming establishment;
  9. All persons who individually or as part of a group formulate management policy.
- (b) The “Annual Employee Report” shall also include a description of the gaming duties, casino responsibilities, and casino authority delegated to each individual identified in the report, if requested by the Investigations Division of the Commission.
- (c) Any changes, additions, or deletions to any information contained within the annual employee report which occurs subsequent to the filing of the report and prior to the filing of the report for the next calendar year shall be reported to the Executive Director in writing no less than ten (10) days after the end of the calendar quarter during which the change, addition, or deletion occurred.
- (d) The Annual Employee Report and subsequent reports of changes, additions, or deletions shall be confidential and may not be disclosed except upon order of the Commission or pursuant to the terms of Mississippi Code Annotated §75-76-153. (Adopted: 09/25/1991; Amended: 07/16/1998; Amended: 10/22/1998; Amended: 10/27/2005.)

Source: *Miss. Code Ann. §§ 75-76-139, 75-76-153*

## **Part 2 Chapter 11: GAMING SCHOOLS**

### *Rule 11.1 Gaming School License Required.*

- (a) No gaming school shall enroll any student or offer any course to the public of this state or do any other business whatsoever in this state whether for compensation or not, relating to the teaching of gaming or playing or dealing techniques unless such gaming school is the holder of a valid Gaming School License issued by the Commission.
- (b) An application for a Gaming School License shall describe the training to be offered in sufficient detail to allow the Commission to properly evaluate that training. This description shall include but need not be limited to:

1. The course or program title;
2. The number of persons involved in such training and the maximum number of students that will be permitted to enroll in any one session of such training;
3. A description of the plan of instruction to be used;
4. The tuition and other charges of costs to the persons trained;
5. The name, license number and employer of every instructor to be utilized for such training;
6. The name, license number and employer of any support personnel to be used in such training;
7. The location where such training is to be conducted; and
8. Any certificate or other documentation to be awarded to persons successfully completing such training program. (Adopted: 11/04/1992.)

Source: *Miss. Code Ann. § 75-76-34*

*Rule 11.2 Gaming School Employee License Required.*

(a) No natural person shall be employed by a licensed gaming school as an instructor, administrative employee or sales representative unless he or she has first established his or her qualifications in accordance with Section 75-76-34 (K) of the Mississippi Gaming Control Act and the regulations of the Commission unless such gaming school employee is the holder of a valid gaming school employee license; provided, however, that notwithstanding the provisions of this section, the licensure of clerical personnel shall be required.

(b) Notwithstanding any other requirements of this subchapter, guest lecturers who do not possess a gaming school employee's license may be employed provided that prior notice is filed with the Commission and that an individual who possesses a valid employee's license is responsible for the conduct of the class and is in attendance during the sessions conducted by the guest lecturer.

(Adopted: 11/04/1992.)

Source: *Miss. Code Ann. § 75-76-34*

*Rule 11.3 Standards for Qualification.*

(a) Each operator required to be licensed in accordance with commission regulations shall, prior to the issuance of a Gaming School License, produce such information, documentation and assurances to establish by clear and convincing evidence:

1. The financial stability, integrity and responsibility of the applicant;
2. The applicant's good character, honesty and integrity;
3. That the applicant, either himself or through his employees, has sufficient business ability and experience to establish, operate and maintain his enterprise with reasonable prospects for successful operation;
4. That all owners/management and supervisory personnel, and sales representatives qualify under the standards set forth under the provisions of these regulations;
5. The integrity of all financial backers, investors, mortgagees, bondholders, and holders of indentures, notes or other evidence of indebtedness, either in effect or proposed, which bears any relationship to the enterprise;
6. The integrity of all officers, directors, and trustees of the applicant;

7. If the gaming school is a corporation, that it:
  - i. Either is incorporated in this state or is authorized to do business in this state;
  - ii. Maintains a registered office in the premises licensed or to be licensed and has designated and maintains in this state a registered agent;
  - iii. Complies with all requirements of the laws of this state pertaining to corporations.
8. If the gaming school is not a corporation, that it maintains an office in this state and has designated to the Commission and maintains in this state an agent for the acceptance of service of process; and
9. The appropriate individuals associated with or employed by the gaming school be properly qualified as required by the Gaming Control Act and these regulations. (Adopted: 11/04/1992.)

Source: *Miss. Code Ann. § 75-76-34*

*Rule 11.4 Application Requirements.*

- (a) The principal(s) of each operator, employee and student must set forth by application that he or she does not fall within any one (1) of the following categories:
1. Is under indictment for, or has been convicted in any court of a felony;
  2. Is a fugitive from justice;
  3. Is an unlawful user of any controlled substance, is addicted to any controlled substance or alcoholic beverage, or is an habitual drunkard;
  4. Is a mental defective, has been committed to a mental institution, or has been voluntarily committed to a mental institution on more than one (1) occasion;
  5. Has been discharged from the Armed Forces under dishonorable conditions; or
  6. Has been found at any time by the Executive Director or commission to have falsified any information.
  7. Has been denied a work permit or license or excluded or ejected from a casino operation in another gaming jurisdiction. (Adopted: 11/04/1992.)

Source: *Miss. Code Ann. § 75-76-63*

*Rule 11.5 Investigations.*

- (a) The Commission may, within its discretion, make such inquiry or investigation concerning an operator, employee, student or any other person involved with an applicant or licensee as it may deem appropriate either at the time of the initial application and licensure or at any time thereafter. It shall be the continuing duty of each applicant to provide full cooperation to the Commission in the conduct of such inquiry or investigation and to provide any supplementary information requested by the Commission.
- (b) The Commission shall require fingerprints of the operator(s), employees and students of the gaming schools or other methods of identification and shall forward all fingerprints taken pursuant to regulations to the Federal Bureau of Investigation. (Adopted: 11/04/1992.)

Source: *Miss. Code Ann. § 75-76-103*

*Rule 11.6 Investigative Fees.*



(a) Simultaneously with the submission of its application for a gaming school license, the operator(s) shall pay a non-refundable application/investigation fee of one thousand (\$1,000.00) along with all other fees provided for in the Gaming Control Act. These fees shall be payable to the Mississippi State Tax Commission.

(b) Simultaneously with the submission of its application for a gaming school employee license, the applicant shall pay a non-refundable application/investigation fee of one hundred dollars (\$100.00) along with all other fees provided for in the Gaming Control Act. These fees shall be payable to the Mississippi State Tax Commission.

(c) Each student upon enrolling at a licensed gaming school shall pay a nonrefundable fee which is the same fee imposed for work permits.

(d) The Executive Director may require an additional deposit to be paid by the applicant or employee as a condition precedent to beginning or continuing the investigation where the investigative fees and costs are likely to exceed the deposit paid.

(e) If the Executive Director denies an application for an Operator License, Instructor/Administrator License or a Student Work Permit License, the procedure for a hearing after denial will be the same as outlined under II. J. Section 3 of the Mississippi Gaming Commission Regulations.

(Adopted: 11/04/1992; Amended: 03/20/97.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 11.7 Age and Residence Requirements.*

All employees and students of the gaming school shall be at least twenty-one (21) years of age. (Adopted: 11/04/1992.)

Source: *Miss. Code Ann. § 75-76-155*

*Rule 11.8 Courses and Programs of Instruction.*

(a) No person or school, whether or not a governmental agency, shall offer any course or program of instruction or enroll any student in any course or program of instruction unless an approval authorizing such course or program of instruction shall have first been obtained from the Commission.

(b) For each course or program submitted to the Commission for approval, the gaming school shall submit a course or program outline in sufficient detail for proper evaluation which outline shall include, but need not be limited to:

1. The course or program title;
2. The objective or goal the course or program is intended to meet;
3. For courses, the content in outline form showing the major elements or items of instruction, the number of teacher contact hours of instruction for each element of the course, the number of laboratory or practice hours required and the total number of hours for the course;
4. The entrance requirements, if any, such as education, physical fitness or dexterity, and the procedure for determining compliance with such;
5. The proposed tuition and other charges or cost to the student;
6. The maximum number of students that will be permitted to enroll in any one session of the course or program taking into account the facilities available;

7. A copy of all textual material to be used in the course of program of instruction.
- (c) The administrator of the gaming school shall file a plan outlining the curriculum and the minimum requirements for each area of instruction.
  - (d) Subsequent changes in curriculum shall be submitted for approval of the Executive Director.
  - (e) Upon satisfactory completion of any course or program or instruction, the gaming school shall, in writing, certify directly to the Commission that the student has completed the said course or program of instruction. (Adopted: 11/04/1992.)

Source: *Miss. Code Ann. § 75-76-34*

*Rule 11.9 Facilities, Supplies and Equipment.*

(a) The physical facilities and equipment of each gaming school shall be sufficient for attainment of the school's purposes and shall be safe and adequate in quality, size and number to effectively accommodate students, faculty and staff. The school shall have sufficient space, equipment and supplies on hand to provide a shop, laboratory or classroom space for each of the students in attendance at every session of instruction or training.

1. No gaming school shall alter its physical facility unless prior notice, which shall include a diagram detailing the proposed change, has been submitted to and approved by the Commission.

(b) Physical facilities of all gaming schools shall meet all applicable State, county and local laws, regulations and ordinances with regard to space, safety, health, fire, construction, sanitation, heating, lighting, ventilation, zoning and environmental protection and such other standards as may from time to time be adopted by the Commission.

1. The gaming school shall be at least four hundred (400) feet from any church, school, kindergarten or funeral home. However, within an area zoned commercial or business, the minimum distance shall not be less than one hundred (100) feet.

(c) Facilities leased or rented which house the instructional program of the school shall be bound by contract or lease agreement between the owner of the school and the owner of the facilities. Said contract or lease agreement shall stipulate length of lease, conditions of lease and shall be signed by both parties. A copy of the agreement must be filed with the Commission prior to the issuance of a certificate of operation.

(d) Unless the Commission shall otherwise determine, all gaming equipment utilized by a gaming school shall conform to all requirements set forth in the regulations of the Commission governing gaming equipment utilized by casino licensee. Each gaming school shall keep an itemized list of its dealing shoes, gaming tables, slot machines, and roulette and big six wheels.

1. Unless the Commission shall otherwise determine, each table for blackjack, roulette, craps, baccarat and big six shall have the name of the gaming school, or some other identifying attribute as approved by the Commission, permanently imprinted thereon in letters at least one inch in height and shall, as shall each slot machine, also have permanently affixed on it a serial number which, together with the location of the table or machine, shall be filed with the Commission.

(e) Unless the Commission shall otherwise determine, all gaming chips and plaques utilized by a gaming school shall be distinctly dissimilar to any gaming chips and plaques utilized by a casino licensee.

1. No gaming school shall issue or cause to be utilized in its gaming school any gaming chips or plaques until such gaming chips and plaques are submitted to and approved by the Commission.

(f) Each gaming school shall provide adequate security of its premises for the protection of its equipment. No such equipment shall be removed from the premises of the school or sold or transferred to any person without the prior approval of the Commission; provided, however, the gaming chips and plaques may be removed by students for practice purposes without the necessity of any approval of the Commission.

1. Each gaming school shall require all employees and students to wear identification cards issued by the Commission while on the premises of the gaming school.

2. Upon graduation a student may, upon written request to the Commission, enter the gaming school for the purpose of practice after obtaining prior approval. The gaming school shall properly document each practice session attended by the graduate.

(g) Gaming chips and plaques and equipment of a gaming school shall be used for training, instructional and practice purposes only. Utilization of same for actual gaming by any person shall be prohibited and may constitute cause for the suspension or revocation of the gaming school license.

(h) Each gaming school shall have a telephone listed in the local telephone directory.

(Adopted: 11/04/1992.)

Source: *Miss. Code Ann. § 75-76-34*

*Rule 11.10 Causes for Suspension.*

(a) Any of the following shall be cause for suspension, refusal to renew or revocation of a gaming school license of gaming school employee license, although suspension, refusal to renew or revocation may be made for sufficient cause other than those listed:

1. Violation of any provision of the Gaming Control Act or the Mississippi Gaming Commission rules and regulations;

2. Conduct which would disqualify the applicant, or any other person required to be qualified, if such person were applying for original licensure;

3. Failure to comply with all applicable Federal, State and local statutes, ordinances and regulations;

4. A material departure from any representation made in the application for licensure.

(Adopted: 11/04/1992.)

Source: *Miss. Code Ann. § 75-76-34*

*Rule 11.11 Duration of License.*

(a) Licensure pursuant to Mississippi Gaming Commission Regulations is granted for a term of two years, and for a term of two years for all subsequent renewals within the discretion of the Commission.

1. A change in any item that was a condition of the original license or a license renewal must be approved by the Commission. A change in ownership shall invalidate any approval previously given by the Commission. The proposed new owner shall be required to submit an application for licensure and evidence that he is qualified for licensure.

(Adopted: 11/04/1992; Amended: 10/27/05.)

Source: *Miss. Code Ann.* § 75-76-85

## **Part 2 Chapter 12: FOREIGN GAMING**

### *Rule 12.1 Application For Preliminary Approval For Involvement In Foreign Gaming.*

- (a) Unless a licensee has been granted continuous approval for involvement in foreign gaming, the licensee may apply for preliminary approval for a proposed involvement in foreign gaming. The application shall be made on such forms as may be prescribed by the Executive Director. The licensee shall pay an application/ investigation fee of two thousand dollars (\$2,000). The applicant shall pay the cost of any additional investigation as required by the Executive Director.
- (b) A preliminary approval for a proposed involvement in foreign gaming constitutes a finding by the Commission that, based upon consideration of the information submitted by the licensee, it finds no present reason to object to the proposed involvement. The preliminary approval may be limited or conditioned in any manner deemed reasonable by the Commission.
- (c) A preliminary approval does not:
1. Constitute final approval for the proposed involvement in foreign gaming; or
  2. Obligate the Commission to grant final approval for the proposed involvement in foreign gaming.
- (d) The Commission shall consider all relevant information in considering the application for preliminary foreign gaming approval including, but not limited to, the following:
1. The business history of the licensee, including its record of financial stability, and the integrity, duration, scope and success of its operations in Mississippi and elsewhere;
  2. The current business activities and investments of the licensee and its gaming affiliates;
  3. The regulatory history of the licensee and its affiliates in Mississippi and in foreign jurisdictions;
  4. The availability and accessibility in Mississippi of information to the Commission regarding the Mississippi operation and the operation in the foreign jurisdictions for which application has been made;
  5. The extent of personnel capable of managing both the licensee's Mississippi gaming businesses and the foreign operation;
  6. Whether a foreign gaming operation will create a significant risk that the licensee or its gaming affiliates will not satisfy their financial obligations as they become due;
  7. Whether a foreign gaming operation will create a significant risk that the licensee or its gaming affiliates will not satisfy all financial and regulatory requirements imposed by the laws of Mississippi and the regulations of the commission; and
  8. The current financial status and structure of the applicant, both within and without Mississippi, including historical and perspective balance sheets and statements of operation for business activities in Mississippi and other jurisdictions, key financial statistics such as debt to equity ratios and other financial data.
- (e) A preliminary approval for a proposed involvement in foreign gaming granted by the Commission pursuant to this regulation shall terminate automatically if:
1. The licensee or its affiliate has not commenced in involvement in foreign gaming within two (2) years after grant of the preliminary approval;

2. The licensee or its affiliate has commenced the involvement in foreign gaming but the licensee has failed to file with the Executive Director the supplemental application for final foreign gaming approval required by paragraph 7 hereof; or
  3. The preliminary approval has not been extended by the Commission.
- (f) A licensee who has received preliminary approval of a proposed involvement in foreign gaming must continuously and promptly inform the Executive Director of each and every material action or step taken concerning the proposed involvement, leading up to the execution of a definitive agreement for the proposed involvement.
- (g) Unless a licensee has been granted continuous approval for involvement in foreign gaming and said continuous approval is in effect at the time of commencement of involvement in foreign gaming, a licensee granted preliminary approval for involvement in foreign gaming must file with the Executive Director an application for final approval for involvement in foreign gaming as soon as practicable, but in no event later than thirty (30) days after the execution of a definitive agreement pertaining to the proposed involvement or at such time as any application for licensing or related approval is made to the foreign jurisdiction for the proposed involvement, whichever occurs first.
- (h) If the Commission does not grant or deny the application for final approval for involvement in foreign gaming for which preliminary approval was granted within ninety (90) days after the filing of such application, unless waived by the applicant, the licensee may commence the involvement in foreign gaming for which final approval was sought. (Adopted: 12/30/1992.)

Source: *Miss. Code Ann. § 75-76-34*

*Rule 12.2 Application For Final Approval For Involvement In Foreign Gaming*

- (a) Unless a licensee has been granted continuous approval for involvement in foreign gaming, an application for final approval for involvement in foreign gaming must be filed with the Executive Director as soon as practicable and in no event later than thirty (30) days after the execution of a definitive agreement pertaining to the proposed involvement or at such time as any application for licensing or related approval is made to the foreign jurisdiction, whichever occurs first. The application shall be made on such forms as may be prescribed by the Executive Director. Failure to timely file an application may constitute grounds for denial.
- (b) The application must:
1. Provide information about the proposed involvement in foreign gaming, to the extent it is practicable, as would be required in an application for a similar involvement in Mississippi gaming;
  2. Provide a description of the regulatory system that will govern the proposed involvement in foreign gaming; and
  3. An application/investigation fee of two thousand dollars (\$2,000.00). The application shall pay the cost of any additional investigation as required by the Executive Director.
- (c) The applicant shall file with the application a descriptive index of all application forms and related documents filed with the foreign jurisdiction by the applicant or by any entity affiliated with the applicant.
- (d) The applicant shall maintain within the State of Mississippi, and make available for examination by the Executive Director, executed copies of all application forms and related documents filed with the foreign jurisdiction by the applicant or by any applicant affiliated with the applicant.

(e) The Commission shall consider all relevant information in considering the application, including, but not limited to, the following:

1. Whether the applicant has provided sufficient reason for belief that the foreign gaming operation for which involvement is proposed will be conducted in accordance with the standards of honesty and integrity required of gaming activities in Mississippi and will pose no threat to gaming control in this state;
2. Whether an effective accounting system will be implemented in the foreign gaming operation for which involvement is proposed that will prevent the employment of any techniques that could result in the avoidance of any Mississippi gaming license fees or taxes;
3. The business history of the licensee, including its record of financial stability, and the integrity, duration, scope and success of its operations in Mississippi and elsewhere;
4. The current business activities and investments of the licensee and its gaming affiliates;
5. The regulatory history of the licensee and its affiliates in Mississippi and in foreign jurisdictions;
6. The availability and accessibility in Mississippi of information to the Commission regarding the Mississippi operation and the involvement in the foreign jurisdiction for which application has been made;
7. The extent of personnel capable of managing both the licensee's Mississippi gaming businesses and the foreign gaming operation;
8. Whether the foreign gaming operation will create a significant risk that the licensee or its gaming affiliates will not satisfy their financial obligations as they become due;
9. Whether the foreign gaming operation will create a significant risk that the licensee or its gaming affiliates will not satisfy all financial and regulatory requirements imposed by the laws of Mississippi and the regulations of the Commission; and
10. The current financial status and structure of the applicant, both within and without Mississippi, including historical and perspective balance sheets and statements of operation for business activities in Mississippi and other jurisdictions, key financial statistics such as debt to equity ratios and other financial data.

(f) The final approval may be limited or conditioned in any manner deemed reasonable by the Commission.

(Adopted: 12/30/1992.)

Source: *Miss. Code Ann.* § 75-76-205, 75-76-251, 75-76-273

*Rule 12.3 Application For Continuous Approval For Involvement In Foreign Gaming*

(a) A licensee who has been granted continuous approval for involvement in foreign gaming is exempt from compliance with preliminary approval and final approval, unless otherwise required by the Commission.

(b) An application for continuous approval for involvement in foreign gaming shall be:

1. Made on such forms as may be prescribed by the Executive Director;
2. Accompanied by an application fee of four thousand dollars (\$4,000.00), the applicant shall pay the cost of any additional investigation as required by the Executive Director; and
3. Be supplemented by such information as the Executive Director may request.

- (c) By filing the application, the licensee agrees:
1. To conduct any foreign gaming operations in accordance with the standards of honesty and integrity required for gaming activities in this state;
  2. That foreign gaming operations will be lawfully conducted in the foreign jurisdiction, and that the licensee's involvement will pose no threat to gaming control in Mississippi; and
  3. To utilize an effective accounting system in the foreign jurisdiction which is designed to prevent the employment of techniques to avoid payment of Mississippi license fees and taxes.
- (d) The Commission shall consider all relevant information in determining whether to grant continuous approval including, but not limited to, the following:
1. The business history of the applicant, including its record of financial stability, and the integrity, duration, scope and success of its operations in Mississippi and elsewhere;
  2. The current business activities and investments of the applicants and its gaming affiliates;
  3. The current financial status and structure of the applicant, both within and without Mississippi, including historical and perspective balance sheets and statements of operation for business activities in Mississippi and other jurisdictions, key financial statistics such as debt to equity ratios and other financial data;
  4. The regulatory history of the applicant and its affiliates in Mississippi and in foreign jurisdictions;
  5. The availability and accessibility in Mississippi of information regarding the Mississippi operation and any foreign operation;
  6. The extent of personnel capable of managing both the Mississippi operation and the foreign operation;
  7. Whether a foreign gaming operation will create a significant risk that the applicant or its gaming affiliates will not satisfy their financial obligations as they become due; and
  8. Whether a foreign gaming operation will create a significant risk that the applicant or its affiliates will not satisfy all financial and regulatory requirements imposed by the laws of Mississippi and the regulations of the Commission.
- (e) The Commission may grant continuous approval to participate in foreign gaming for a period of up to two (2) years and may impose whatever conditions upon a continuous approval to participate in foreign gaming operations it deems reasonable.
- (f) A licensee who has received continuous approval to participate in foreign gaming must continuously and promptly inform the Executive Director of each and every material action or step taken concerning a specific transaction, leading up to the execution of a definitive agreement for the conduct of foreign gaming.
- (g) After receiving continuous approval, a licensee intending to commence foreign gaming operations shall notify the Executive Director of his intent as soon as practicable, but in no event later than forty-five (45) days before actual commencement of the operations and shall provide documentation related to such proposed operation that must include in addition to any other information required by the Executive Director:
1. The information required by Mississippi Gaming Commission Reg II, L, Section 2 (c) and (d);
  2. A complete description of the dealings or arrangements between the applicant, affiliates and unaffiliated parties or foreign governments; and

3. A complete description of sources of financing for the proposed venture.
- (h) Upon commencement of foreign gaming operation in each jurisdiction, the licensee shall:
1. Engage the services of an independent public accounting firm of good standing and reputation to perform a certified audit, or reasonable equivalent, of the foreign gaming operation for the purpose of rendering an opinion;
  2. Submit an annual operational and regulatory status report specifically addressing regulatory compliance, audit procedures and surveillance procedures relating to the foreign gaming operation;
  3. Report to the Executive Director within thirty (30) days after the end of each quarter regarding the occurrence or absence of the following:
    - i. Any changes in ownership or control of any interest in the subject foreign gaming operation;
    - ii. Any changes in officers, directors or key personnel earning at least one hundred thousand dollars (\$100,000) or more, or its equivalent;
    - iii. All gaming-related complaints, disputes, orders to show cause and disciplinary actions instituted by the foreign jurisdiction. This must include, but not be limited to, all matters, contested or not, in which a gaming regulatory agency presides or is a party thereto;
    - iv. All arrests made of employees of the foreign affiliate of the licensee involving gaming cheating or theft in the foreign jurisdiction. The report must include the name, position, charge, arresting agency and a brief description of the event; and
    - v. All arrests or convictions of officers, directors, key employees and equity owners of the licensee's affiliate in the foreign jurisdiction, regarding offenses which would constitute a gross misdemeanor or felony in the State of Mississippi. The report must include the name, position, charge, arresting agency and a brief description of the event.
  4. Comply with any additional reporting or other requirements as may be imposed by the Commission;
  5. File with the Executive Director copies of annual audited financial statements of the foreign gaming operation;
  6. Provide to the Executive Director access to all files, books, records, photographs and memoranda related to the foreign operations and provide copies of said documents when requested, and provide immediate access to all gaming-related areas to the Executive Director or his representative upon request; and
  7. The Executive Director may, in his sole discretion and at the applicant's expense, employ an independent public accounting firm to make observations of the foreign gaming operation and to render a report to the Executive Director; and may conduct, at the expense of the licensee, other on-site inspections of the foreign gaming operation.
- (i) Unless otherwise ordered by the Commission, the Executive Director may issue an interlocutory stop order. The stop order may be issued for any cause deemed reasonable by the Executive Director. If a stop order is issued by the Executive Director pursuant to the provisions of this regulation, the Commission shall, upon request of the person that is the subject of the order, conduct a hearing on the merits of the matter no later than its next regular meeting for which notice of the hearing is practicable.
- (j) The Commission may revoke, suspend, condition, limit or restrict any approval granted pursuant to this section. A continuous approval shall not apply to any jurisdiction which by law



would prohibit the Executive Director and commission access to the books, records, documents, files, photographs, exhibits, memoranda or other records of the foreign affiliate; or to any gaming operation which is unlawful or which in any manner violates any federal, state, county or local law, statute or regulation.  
(Adopted: 12/30/1992.)

Source: *Miss. Code Ann.* §§ 75-76-251, 75-76-253, 75-76-273

*Rule 12.4 Waiver of Certain Foreign Gaming Activities*

(a) Pursuant to *Miss. Code Ann.* §75-76-271(5), the Mississippi Gaming Commission finds that consistent with the public policy of this state concerning gaming, the requirements of *Miss. Code Ann.* §75-76-269 through 75-76-277, inclusive, are waived for the following activities:

1. Any activity conducted within the fifty (50) states or any territory of the United States or, on board any cruise ship embarking from a port located therein; and
2. Any activity conducted outside the area described in subsection (a) (1) for which casino operator's licensure or its equivalent is not required in order to legally conduct said activity.

(b) Notwithstanding the foregoing subsection, a licensee must report any activity described in subsection (a) (1) by notifying the Executive Director in writing no later than thirty (30) days after the commencement of said activity.

(Adopted: 06/21/2007.)

Source: *Miss. Code Ann.* § 75-76-271

**Part 2 Chapter 13: LABOR ORGANIZATIONS**

*Rule 13.1 Labor Organization Registration Required.*

(a) Each labor organization, union or affiliate thereof representing or seeking to represent employees requiring work permits by the Commission and employed by a licensee, shall register with the Commission annually.

(b) The Commission may exempt any labor organization, union or affiliate thereof from registration requirements where it is found that such labor organization, union or affiliate:

1. Is not the certified bargaining representative of any employee holding a work permit or employed by a licensee; and
2. Is neither involved nor seeking to be involved actively, directly, or substantially in the control or director of the representative of any such employee. Such exemption shall be subject to revocation upon disclosure of information which indicates that the affiliate does not or no longer meets the standards for exemption. (Adopted: 01/20/1993.)

Source: *Miss. Code Ann.* § 75-76-131

*Rule 13.2 Registration Statement*

(a) In order to register, a labor organization, union or affiliate thereof shall file with the Commission a "labor organization registration statement." The registration statement shall be completed and approved by the Executive Director prior to the labor organization becoming the

certified bargaining representative for employees holding work permits and employed by a licensee.

(b) Said statement shall be in the form prescribed by the Commission and shall include, without limitation, the following:

1. The names of all labor organizations affiliated with the registrant;
2. Information as to whether the registrant is involved or seeking to be involved actively, directly or substantially in the control or direction of the representation of any employee holding a work permit and employed by a licensee;
3. Information as to whether the registrant holds, directly or indirectly, any financial interest whatsoever in any licensee whose employees it represents;
4. The names of any pension retirement and welfare systems maintained by the registrant and all officers and agents of such systems;
5. The names of all officers, agents and principal employees of the registrant; and
6. All written assurances, consents, waivers and other documentation required of a registrant by the Commission.

(Adopted: 01/20/1993.)

Source: *Miss. Code Ann. § 75-76-131*

*Rule 13.3 Registration Renewal.*

A labor organization registration shall be effective for one year. Any such registration may be renewed upon filing of an updated "labor organization registration statement" no later than one hundred twenty (120) days prior to the expiration of the current registration. The Commission shall act upon such application for renewal no later than thirty (30) days prior to the date of expiration of the current registration. (Adopted: 01/20/1993.)

Source: *Miss. Code Ann. § 75-76-131*

*Rule 13.4 Continuing Duty to Disclose.*

Every registered labor organization shall be under a continuing duty to promptly disclose to the Commission any change in the information contained in the "labor organization registration statement" or otherwise requested by the Commission.

(Adopted: 01/20/1993.)

Source: *Miss. Code Ann. § 75-76-133*

*Rule 13.5 Federal Reports Exception.*

Notwithstanding the reporting requirements imposed by the regulations of the Commission, no labor organization, union, affiliate thereof or person shall be required to furnish any information which is included in a report filed by any labor organization, union, affiliated or person with the Secretary of Labor, pursuant to 29 U.S.C., section 431, et seq. (Labor-Management Reporting and Disclosure Act) or 29 U.S.C., section 1001 et seq. (Employee Retirement Income Security Act) if a copy of such report, or if the portion thereof containing such information, is also furnished to the Commission.

(Adopted: 01/20/1993.)

Source: *Miss. Code Ann. § 75-76-133*

*Rule 13.6 Qualification of Officers, Agent and Principal Employees.*

Every officer, agent and principal employee of a labor organization, union or affiliate thereof required to register with the Commission pursuant to this chapter and the regulations of the Commission shall be qualified in accordance with criteria contained in Mississippi Gaming Commission regulations.

(Adopted: 01/20/1993.)

Source: *Miss. Code Ann. § 75-76-131*

*Rule 13.7 Qualification Procedure.*

(a) In order to be qualified, every officer, agent and principal employee of a labor organization, union or affiliate thereof required to register with the Commission pursuant to the regulations of the Commission shall file with the Commission a "labor organization individual disclosure form," which shall be completed, signed and filed in accordance with the requirements of this chapter, provided, however, that such a form need not be filed by an officer of a national or international labor organization where that officer exercises no authority, discretion or influence over the operation of such labor organization with regard to any employment matter relating to employees holding work permits and employed by a licensee; and provided, further, that any such officer of a national or international labor organization may be directed by the Commission to file a "labor organization individual disclosure form" or to provide any other information in the same manner and to the same extent as may be required of any other officer of a labor organization which is required to register under this chapter.

(b) Each officer, agent or principal employee required to file a "labor organization individual disclosure form" shall do so initially at the time the pertinent labor organization, union or affiliate thereof applies or should apply for registration within thirty (30) days of the date the individual is elected, appointed or hired, whichever is later.

(c) Following an initial finding of qualification, each qualified individual who has filed an initial "labor organization individual disclosure form" shall annually file with the Commission a properly completed, updated "labor organization individual disclosure form." Such form shall be filed with the Commission at the same time as the related labor organization renewal application.  
(Adopted: 01/20/1993.)

Source; *Miss. Code Ann. § 75-76-139*

*Rule 13.8 Waiver of Disqualification Criteria.*

Notwithstanding the qualification requirements as to any such officer, agent or principal employee, the Commission may waive any disqualification criteria upon a finding that the interests of justice so require. (Adopted: 01/20/1993.)

Source: *Miss. Code Ann. § 75-76-131*

*Rule 13.9 Interest in Licensee Prohibited.*

Neither a labor organization, union, or affiliate thereof nor its officers, agents and principal employees not otherwise individually holding work permits in accordance with the Gaming

Control Act and employed by a licensee may hold any financial interest whatsoever in the licensee whose employees they represent. (Adopted: 01/20/1993.)

Source: *Miss. Code Ann. § 75-76-131*

*Rule 13.10 Failure to Comply; Consequences.*

(a) No labor organization, union or affiliate thereof required to register with the Commission shall receive any dues from or on behalf of or administer any pension, retirement or welfare funds from or on behalf of any employee holding a work permit and employed by a licensee or its agent:

1. If the said labor organization, union, or affiliate thereof shall fail to properly register with the Commission or provide all information requested by the Commission in accordance with the provisions of this chapter or the regulations of the Commission;
2. If any officer, agent or principal employee of such labor organization, union, or affiliate thereof shall fail to qualify in accordance with the provisions of this chapter or the regulations of the Commission; or
3. If the said labor organization, union, affiliate thereof or any officer or agent thereof shall hold a prohibited interest in a licensee.

(b) Nothing herein shall be construed to limit the right of the Commission to impose any sanctions or take any action authorized by these regulations of the Gaming Control Act. (Adopted: 01/20/1993.)

Source: *Miss. Code Ann. § 75-76-137*

## **Title 13: Gaming**

### **Part 3: OPERATIONS**

#### **Part 3 Chapter 1: IN GENERAL**

##### *Rule 1.1 Methods of Operation.*

(a) It is the policy of the Commission to require that all establishments wherein gaming is conducted in this state be operated in a manner suitable to protect the public health, safety, morals, good order and general welfare of the inhabitants of the State of Mississippi.

(b) Responsibility for the employment and maintenance of suitable methods of operation rests with the licensee, and willful or persistent use or toleration of methods of operation deemed unsuitable will constitute grounds for license revocation or other disciplinary action.

(Adopted: 09/25/1991; Amended: 09/17/1996.)

Source: *Miss. Code Ann.* § 75-76-3

*Rule 1.2 Grounds for Disciplinary Action.* The Commission deems any activity on the part of any licensee, his agents or employees, that is inimical to the public health, safety, morals, good order and general welfare of the people of the State of Mississippi or that would reflect or tend to reflect discredit upon the State of Mississippi or the gaming industry, to be an unsuitable method of operation and shall be grounds for disciplinary action by the Commission in accordance with the Mississippi Gaming Control Act and the regulations of the Commission. Without limiting the generality of the foregoing, the following acts or omissions may be determined to be unsuitable methods of operation:

(a) Failure to exercise discretion and sound judgment to prevent incidents which might reflect on the repute of the State of Mississippi and act as a detriment to the integrity of the industry;

(b) Permitting persons who are visibly intoxicated to participate in gaming activity;

(c) Complimentary service of intoxicating beverage in the casino area to persons who are visibly intoxicated;

(d) Failure to conduct advertising and public relations activities in accordance with decency, dignity, good taste, honesty and inoffensiveness;

(e) Catering to, assisting, employing or associating with, either socially or in business affairs, persons of notorious or unsavory reputation or who have extensive police records, or persons who have defied congressional investigative committees, or other officially constituted bodies acting on behalf of the United States, or any state, or persons who are associated with or support subversive movements, or the employing either directly or through a contract, or any other means, of any firm or individual in any capacity where the repute of the State of Mississippi or the gaming industry is liable to be damaged because of the unsuitability of the firm or individual or because of the unethical methods of operation of the firm or individual;

(f) Employing in a position for which the individual could be required to be licensed as a key employee, any person who has been denied a state gaming license on the grounds of unsuitability or who has failed or refused to apply for licensing as a key employee when so requested by the Commission;

(g) Employing in any gaming operation any person whom the Commission or any court has found guilty of cheating or using any improper device in connection with any game, whether as a

licensee, dealer, or player at a licensed game or device; as well as any person whose conduct of a licensed game as a dealer or other employee of a licensee resulted in revocation or suspension of the license of such licensee;

(h) Failure to comply with or make provision for compliance with all federal, state and local laws and regulations pertaining to the operations of a licensed establishment including, without limiting the generality of the foregoing, payment of all license fees, withholding any payroll taxes, liquor and entertainment taxes and antitrust and monopoly statutes.

(i) The Mississippi Gaming Commission in the exercise of its sound discretion can make its own determination of whether or not the licensee has failed to comply with the aforementioned, but any such determination shall make use of the established precedents in interpreting the language of the applicable statutes. Nothing in this section shall be deemed to affect any right to judicial review;

1. Possessing or permitting to remain in or upon any licensed premises any cards, dice, mechanical device or any other cheating device whatever, the use of which is prohibited by statute or ordinance, or

2. Conducting, carrying on, operating or dealing any cheating or thieving game or device on the premises, either knowingly or unknowingly, which may have in any manner been marked, tampered with or otherwise placed in a condition, or operated in a manner, which tends to deceive the public or which might make the game more liable to win or lose, or which tends to alter the normal random selection of criteria which determine the results of the game;

(j) Failure to conduct gaming operations in accordance with proper standards of custom, decorum and decency, or permit any type of conduct in the gaming establishment which reflects or tends to reflect on the repute of the State of Mississippi and act as a detriment to the gaming industry;

(k) Issuing credit to a patron to enable the patron to satisfy a debt owed to another licensee or person, including an affiliate of the licensee. This subsection shall not prohibit a licensee from collecting a debt owed to an affiliate of the licensee;

(l) Denying commission member or agent, upon proper and lawful demand, access to, inspection or disclosure of any portion or aspect of a gaming establishment as authorized by applicable statutes and regulation. (Adopted: 09/25/1991; Amended: 09/17/1996.)

Source: *Miss. Code Ann. § 75-76-3*

*Rule 1.3 Unauthorized Games.* No licensee shall permit any game other than those specifically named in the Act as a "game" or "gambling game" to be operated without first applying for and receiving permission from the Commission to operate such game and, if permission is granted, thereafter obtaining all required licenses for the same. (Adopted: 09/25/1991; Amended: 09/17/1996.)

Source: *Miss. Code Ann. §§ 75-76-3*

*Rule 1.4 Changing Of Games.*

(a) The Commission will issue to all nonrestricted licensees a certificate of payment of fees indicating the actual games authorized to be exposed for play in the establishment. When a

licensee wishes to change games he shall request permission of the Executive Director and obtain an amended certificate from the Commission.

(b) Failure to comply with the above requirements will result in assessment of fees on the new game without allowance of credit for the game replaced. Penalties provided by law for failure to pay license fees when due may also be assessed. (Adopted: 09/25/1991; Amended: 09/17/1996.)

Source: *Miss. Code Ann. § 75-76-99*

*Rule 1.5 Unlicensed Games Or Devices.*

(a) No gambling games shall be operated upon the premises of a licensee, nor shall a licensee expose in an area accessible to the public any game, or gaming device which may be used in the operation of a gambling game without first having paid all current fees and taxes applicable to such games.

(b) Whenever a licensee desires to temporarily remove or suspend a game from a licensed status, the licensee shall provide advanced written notice to the Executive Director stating the type and number of games sought to be suspended, the initial date and duration of the proposed suspension, and in addition to such notice, the licensee shall thereafter physically remove the game or gaming device from any area exposed to the public; provided, however, a game or gaming device may remain in a public area while in an unlicensed status if the licensee, in addition to the foregoing written notification, removes from the game or gaming device all detachable fixtures such as drop boxes, chip racks, wheelheads, cages, and other similar removable items, and also covers any nondetachable chip rack and any chip rack space with a device capable of being locked and sealed in place; thereafter, the game or gaming device shall be inspected and sealed by the Executive Director and allowed to remain in a public area.

(c) Before any game or gaming device suspended from a licensed status in accordance with the foregoing procedure may be reactivated and placed into play, the licensee shall advise the Executive Director in writing of its intention and date to reactivate such game, and pay all fees and taxes applicable to said game, and upon the Executive Director's reinspection of any game or gaming device previously sealed, the game or gaming device may be exposed to play.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-99*

*Rule 1.6 Posting Of Rules.*

Each licensee shall conspicuously display the rules of each gambling game it exposes for play. This section may be satisfied if published rules are maintained in a location readily accessible to players and notice of the location of such rules is posted conspicuously in the casino. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-3*

*Rule 1.7 Publication Of Payoffs.*

(a) Payoff schedules or award cards applicable to every licensed game or slot machine shall be displayed at all times either on the table or machine or in a conspicuous place immediately adjacent thereto. In the case of crap, keno and faro games the foregoing requirement will be satisfied if published payoff

schedules are maintained in a location readily accessible to players and notice of the location of such schedule is posted on or adjacent to the game.

(b) Payoff schedules or award cards must accurately state actual payoffs or awards applicable to the particular game or device and shall not be worded in such manner as to mislead or deceive the public. Maintenance of any misleading or deceptive matter on any payoff schedule or award card or failure on the part of a licensee to make payment in strict accordance with posted payoff schedules or award cards may be deemed an unsuitable method of operation. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-3*

*Rule 1.8 Gaming By, and Issuance of Gaming Credit to Owners, Directors, Officers And Employees.*

(a) Except as provided in Subsection 2, no officer, director, owner, general manager, or key employee of an entity which holds a gaming license in this state, or of an affiliate or an affiliated company of an entity which holds a gaming license in this state, shall play or place a wager at any gambling game or slot machine owned, leased or possessed:

1. By that gaming licensee; or
2. By an affiliate or an affiliated company of that gaming licensee.
  - i. Subsection 1 shall not apply to the playing or wagering on poker.
  - ii. An employee may not play or place a wager at any gambling game or slot machine located on the premises of the employing licensee or an affiliate or an affiliated company of that employing licensee:
    1. That is part of a wide area progressive slot system or network; or
    2. while dressed in any uniform required by the employing licensee to be worn during the performance of his or her job duties.
    3. A licensee shall not issue credit for purposes of gaming to any employees of that licensee or of an affiliate or affiliated company of an entity which holds a gaming license in this state, whether or not such credit is evidenced by a player card, wagering account or credit instrument.

(b) This section does not prohibit an employee from playing gambling games in the course and scope of his employment as a skill or proposition player or as part of an investigation, provided that the licensee notifies the Executive Director in writing that the employee will be so employed.

(Adopted: 09/25/1991; Amended: 07/21/1997; Amended: 11/18/1999)

Source: *Miss. Code Ann. § 75-76-211*

*Rule 1.9 Periodic Payments.*

(a) Except as provided in this regulation, a licensee shall remit the total prizes awarded to a patron as the result of conducting any game, including a tournament, contest, or promotional activity (hereinafter collectively referred to as “gaming or promotional activity”) conducted in Mississippi upon validation of the prize payout.

(b) As used in this section of the regulation:



1. "Approved funding sources" means cash, U.S. GSE securities or U.S. Treasury securities that are used for the funding of a trust pursuant to subsection (c)(2) hereof or the reserve method of funding periodic payments pursuant to subsection (c)(3) hereof.
2. "Brokerage firm" means an entity that:
  - i. Is both a broker-dealer and an investment adviser;
  - ii. Has one or more classes of its equity securities listed on the New York Stock Exchange or American Stock Exchange, or is a wholly-owned subsidiary of such an entity; and
  - iii. Has assets under management in an amount of \$10 billion or more as reported in its most recent report on Form 10-K or Form 10-Q filed with the United States Securities and Exchange Commission, or is a wholly-owned subsidiary of such an entity.
3. "Broker-dealer" means any person engaged in the business of effecting transactions in securities for the account of others or for his own account and:
  - i. Is registered as a broker-dealer with the Mississippi Secretary of State pursuant to Section 75-71-301 of the Mississippi Code of 1972, as amended; or
  - ii. Is exempt from registration pursuant to Section 75-71-105(b) of the Mississippi Code of 1972, as amended, and is registered as a broker-dealer with the United States Securities and Exchange Commission and the National Association of Securities Dealers pursuant to Title 15 USC 78o, as amended.
  - iii. "Executive Director" means the Executive Director of the Mississippi Gaming Commission or his designee.
  - iv. "Date of calculation" means the last day for which a discount rate was obtained prior to the conclusion of the validation period.
4. "Discount rate" means the current prime rate as published in the Wall Street Journal. For those licensees using the reserve method of funding pursuant to subsection (c)(3) hereof, "discount rate" means either:
  - i. The aforementioned current prime rate; or
  - ii. A blended rate computed from the various U.S. GSE securities or U.S. Treasury securities selected by the licensee for which quotes are obtained at least three times a month.
5. "Independent financial institution" means an institution that is not affiliated through common ownership with the licensee and is either:
  - i. A bank or national banking association that is authorized to do business in this state, a banking corporation formed or regulated under the laws of this state or a wholly owned subsidiary of such a banking association or corporation that is formed or regulated under the laws of this state or a national bank with an office in Mississippi; or
  - ii. An insurance company admitted to transact insurance in the State of Mississippi with an A.M. Best Insurance rating of at least "A+" or such other equivalent rating.
6. "Investment Adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing or selling securities, or who, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities and:

- i. Is registered as an investment adviser with the Mississippi Secretary of State pursuant to Section 75-71-303 of the Mississippi Code of 1972, as amended; or
  - ii. Is exempt from registration pursuant to Section 75-71-105(g) of the Mississippi Code of 1972, as amended, and is registered as an investment adviser with the United States Securities and Exchange Commission pursuant to Title 15 USC 80b-3a, as amended.
- 7. “Periodic payments,” for purposes of this regulation only, means a series of payments that are paid at least annually for prizes awarded through gaming or promotional activity.
- 8. “Present value” means the current value of a future payment or series of payments, discounted using the discount rate.
- 9. “Qualified prize” means the sum of periodic payments, awarded to a patron as a result of any gaming or promotional activity, payable over a period of at least 10 years.
- 10. “Qualified prize option” means an option that entitles a patron to receive from a licensee a single cash payment in lieu of receiving a qualified prize, or any remaining portion thereof, which shall be exercised no later than 60 days after validation of the qualified prize.
- 11. “Reserve” means a restricted account consisting of approved funding sources used exclusively to satisfy periodic payments of prizes arising from all gaming or promotional activity conducted in Mississippi. Any existing funding methods previously approved by the Executive Director or Commission must comply with this Regulation as of its effective date. The reserve shall not be less than the sum of the following:
  - i. The present value of the aggregate remaining balances owed on all prizes awarded to patrons who are receiving periodic payments. For balances previously funded using U.S. GSE securities or U.S. Treasury securities, the discount rate on the date of funding shall be used for calculating the present value of this portion of the reserve.
  - ii. An amount sufficient to pay the single cash payments offered in conjunction with qualified prize options for prizes previously awarded for which elections have not been made by the patrons;
  - iii. An amount sufficient to fully fund the present value of all prizes currently on public display for which periodic payments are offered;
  - iv. If cash is used as the approved funding source, an amount equal to satisfy the current liabilities to all patrons receiving periodic payments due and payable within 12 months; and
  - v. Any additional amounts administratively required by the Executive Director.
- 12. “Restricted account” means an account with an independent financial institution described in subsection (b) (7)(A) hereof, or a brokerage firm, which is to be exclusively used for the reserve method of funding of gaming or promotional activity as provided in this regulation.
- 13. “Single cash payment” means a single discounted, lump-sum cash payment in the amount of the present value of the total periodic payments otherwise due and owing for a qualified prize, less the amount of any partial payment of such qualified prize previously made by the licensee to a patron.
- 14. “Trust” means an irrevocable fiduciary relationship in which one person is the holder of the title to the property subject to an equitable obligation to keep or use the property for the benefit of another.

15. "U.S. Government Sponsored Enterprise" or "U.S. GSE" means, for purpose of this regulation, either the Federal National Mortgage Association, also known as Fannie Mae, or the Federal Home Loan Mortgage Corporation, also known as Freddie Mac.

16. "U.S. GSE securities" means negotiable, senior, non-callable, debt obligations issued by a U.S. GSE that on the date of funding possesses an issuer credit rating equivalent to the highest investment grade rating given by Standards & Poor's Rating Services and Moody's Investors Service.

17. "U.S. Treasury securities" means a negotiable debt obligation issued and guaranteed by the U.S. Government.

18. "Validation period" means the period of time between when a patron has met the conditions required to receive a prize, and when the prize payout is validated. The validation period shall not exceed 72 hours, unless otherwise extended by the Executive Director.

(c) Periodic payments of prizes awarded to a patron as a result of conducting any gaming or promotional activity may be made if the method of funding the periodic payments provides such payments to a patron through the establishment of any one of the following funding methods:

1. An irrevocable surety bond or an irrevocable letter of credit with an independent financial institution which will provide for either the periodic payments or a single cash payment for the remaining periodic payments should the licensee default on paying the scheduled periodic payments for any reason. The form of the written agreement establishing an irrevocable surety bond or the irrevocable letter of credit, and a written commitment to execute such bond or letter from the financial institution shall be submitted to the Executive Director for written approval no less than 45 days prior to the commencement of the gaming or promotional activity.

2. An irrevocable trust with an independent financial institution in accordance with a written trust agreement, the form of which shall be submitted to the Executive Director for written approval at least 45 days prior to the commencement of any new gaming or promotional activity, and which provides periodic payments from an unallocated pool of assets to a group of patrons and which shall expressly prohibit the patron from encumbering, assigning or otherwise transferring in any way his right to receive the deferred portion of the prizes except to his estate. The assets of the trust shall consist of approved funding sources in an amount sufficient to meet the periodic payments as required.

3. A reserve maintained at all times by a licensee, together with the continuing satisfaction of and compliance with certain financial ratios and tests, and monitoring and reporting procedures related thereto. The conditions under which a reserve method may be used shall be prescribed by the Executive Director in a written notice distributed to licensees and all interested persons. The Executive Director, after whatever investigation or review he deems necessary, may grant, on a case-by-case basis, written approval of such other conditions as the Executive Director deems appropriate and consistent with this regulation. Licensees shall notify the Executive Director in writing at least 45 days prior to the commencement of any new gaming or promotional activity for which periodic payments may be used. The reserve method for funding periodic payments shall not be implemented or used until approved in writing by the Executive Director.

4. Another method of providing the periodic payments to a patron consistent with the purpose of this regulation and which is approved by the Commission prior to the

commencement of the gaming or promotional activity. Proposed modifications to a periodic payment plan previously approved by the Commission shall be submitted to the Executive Director for review at least 45 days prior to the effective date of change. The Executive Director, after whatever investigation or review he deems necessary, may administratively approve in writing the modification or require the licensee to submit the requested modification to the Commission for review and approval.

(d) The funding of periodic payment plans shall be completed within 30 days of the conclusion of the validation period, or where a qualified prize option is offered for such prize payout, within 30 days of the date the patron makes an election thereunder. Where a single cash payment is elected, the licensee shall pay to the patron in cash, certified check or wire transfer the full amount less any prior payment(s) within 15 days after receiving the patron's written notification of such election.

(e) Periodic payments shall not be used for prize payouts of \$100,000 or less.

Periodic payments for total amounts won greater than \$100,000 shall be paid as follows:

1. For amounts won greater than \$100,000, but less than \$200,000, payments shall be at least \$10,000 annually;
2. For amounts won equal to or in excess of \$200,000, payments shall be no less than 1/20th of the total amount annually;
3. For amounts won equal to or in excess of \$5,000,000, payments shall be made in the manner set forth in (2), above, or in such manner as approved by the Commission upon application by the licensee; and
4. The first installment payment shall be made upon the conclusion of the validation period, notwithstanding that a qualified prize option may be offered to the patron. In the event that a qualified prize option is offered to a patron, it shall not be construed as a requirement that the patron shall receive a single cash payment instead of periodic payments. Waivers of subsections (e)(1), (2) and (3) hereof that have been previously granted by the Commission shall remain in full force and effect pursuant to the current terms and provisions of such waivers.

(f) The licensee shall provide the Executive Director with an appropriate, signed legal document, prior to the commencement of any gaming or promotional activity for which periodic payments are to be offered, that shall irrevocably and unconditionally remise, release, indemnify and forever discharge the State of Mississippi and the Commission and its members, employees, agents and representatives, including those of the Attorney General's Office, of and from any and all claims, actions, causes of actions, losses, damages, liabilities, costs, expenses and suits of any nature whatsoever, in law or equity, including reasonable attorney's fees, arising from any act or omission of the Commission and its members, employees, agents and representatives.

(g) For any gaming or promotional activity for which periodic payments are used, the licensee shall provide a notice on each gaming device or, if no gaming device is used, then in each gaming or promotional area specifically setting forth the terms of the periodic payment plan, and include in all radio, television, other electronic media, or print advertising that such prizes will be awarded using periodic payments.

(h) Notwithstanding any other regulation to the contrary, if a licensee offers a qualified prize option to a patron who is awarded a qualified prize, the licensee shall provide the option to the patron in writing within 7 days after the conclusion of the validation period. Such written option shall explain the method used to compute the single cash payment, including the discount rate on

the date of calculation, and shall state that the patron is under no obligation to accept the offer of a single cash payment and may nevertheless elect to receive the periodic payments for the qualified prize.

(i) The licensee shall maintain the following amounts, as applicable, related to each gaming or promotional activity that uses periodic payments in calculating its minimum bankroll requirement for the purpose of complying with Regulation III. A. Section 13:

1. For periodic payment plans approved in accordance with subsection (c)(1) hereof, the installment payments due within the next 12-month period for all amounts won or on public display for which the licensee will be making periodic payments.

2. For periodic payment plans approved in accordance with subsection (c)(2) hereof, the first installment payment, if not yet paid, and the present value of all future payments:

i. For amounts won or awarded but for which the funding has not been completed; and

ii. For all prizes which have not been won or awarded but are on public display, including a progressive meter.

3. An alternative amount and/or method required by the Executive Director to satisfy the minimum bankroll requirement for other approved funding plans used for periodic payments.

(j) At all times the licensee is responsible for the payment of all prizes resulting from any gaming or promotional activity upon conclusion of the validation period, regardless of the method used to fund the periodic payments allowed under this regulation. In the event of a default by any financial institution with which the licensee has contracted to guarantee or make periodic payments, the licensee will be liable for the periodic payments owed to patrons.

(k) At least annually, the licensee shall verify that the independent financial institution and brokerage firm being used to guarantee or remit periodic payments to patrons or hold approved funding sources related thereto continues to meet the applicable qualifications required by subsection (b) hereof. In the event that such entities are found to no longer meet the defined requirements, the licensee shall immediately notify the Executive Director of the change in status and within 30 days provide a written plan to comply with these requirements.

(l) At least 60 days prior to cessation of operations, a licensee responsible for remitting periodic payments to patrons shall submit a plan to satisfy the liability for approval. The Executive Director, after whatever investigation or review he deems necessary, may grant written approval of the plan or may require such other conditions as the Executive Director deems necessary to satisfy the licensee's liabilities.

(m) Copies of the related contracts and agreements executed pursuant to subsections (c)(1), (c)(2) and (c)(4) hereof shall be submitted to the Executive Director within 30 days after execution. For all methods of funding periodic payments, the licensee must maintain documents, executed contracts and agreements for a period of no less than the duration of the periodic payments plus five years thereafter.

(n) Where a licensee is found to be in noncompliance with the funding requirements provided in this regulation, the Executive Director may require the licensee to immediately cease offering any gaming or promotional activity for which periodic payments are used and/or he may require other or additional corrective action.

(o) Any failure of the licensee to maintain full compliance with each and every provision set forth in this regulation, including the Executive Director's requirements established pursuant to subsection (c)(3) hereof, or any failure of the licensee to immediately notify the Executive

Director of any noncompliance thereof, shall constitute an unsuitable method of operation. Such noncompliance may subject the licensee to disciplinary action. Any approvals granted by the Commission and/or the Executive Director pursuant to this Regulation shall not relieve the licensee of its responsibilities and obligations to fully comply with this Regulation.

(p) The Commission may waive one or more of the requirements of this regulation if it makes a written finding that such waiver is consistent with the public policy set forth in Section 75-76-3(3) of the Mississippi Code of 1972, as amended.

(Adopted: 09/25/1991; Amended: 09/21/00; Amended: 11/20/02)

Source: *Miss. Code Ann. § 75-76-3*

*Rule 1.10 Finder's Fees.*

(a) Except as limited by subsection (b), the term "finder's fee" means any compensation in money in excess of the sum of \$10,000, or real or personal property valued in excess of the sum of \$10,000 which is paid or transferred or agreed to be paid or transferred to any person in consideration for the arranging or negotiation of an extension of credit to a licensee, a registered company, or applicant for licensing or registration if the proceeds of such extension of credit are intended to be used for any of the following purposes:

1. The acquisition of an interest in a gaming establishment or registered company.
2. To finance the gaming operations of a licensed gaming establishment.

(b) The term "finder's fee" shall not include:

1. Compensation to the person who extends the credit.
2. Normal and customary payments to employees of the person to whom the credit is extended if the arranging or negotiation of credit is part of their normal duties.
3. Normal and customary payments for bona fide professional services rendered by lawyers, accountants, engineers and appraisers.
4. Underwriting discounts paid to a member of the National Association of Securities Dealers, Inc.

(c) It is an unsuitable method of operation for any licensee, registered company or applicant for licensing or registration to pay a finder's fee without the prior approval of the Commission, acting upon a recommendation of the Executive Director. An application for approval of payment of a finder's fee shall make a full disclosure of all material facts. The Commission may disapprove any such application if the person to whom the finder's fee is proposed to be paid does not demonstrate that he is suitable to hold a state gaming license. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. §§ 75-76-3,75-76-175*

*Rule 1.11 Collection Of Gaming Credit.*

(a) Only bonded, duly licensed collection agencies, or a licensee's employees, junket representatives, attorneys, or affiliated or wholly-owned corporation and their employees may collect, on the licensee's behalf and for any consideration, gaming credit extended by the licensee.

(b) Notwithstanding the provisions of subsection (a), no licensee shall permit any person who has been found unsuitable, or who has been denied a gaming license or work permit, or who has had a work permit revoked, to collect, on the licensee's behalf and for any consideration, gaming credit extended by the licensee.

(c) Each licensee shall maintain for the Executive Director's inspection records that describe credit collection arrangements and that include any written contracts entered into with the persons described in subsection (a), unless such persons are the licensee's key employees or junket representatives.  
(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-181*

*Rule 1.12 Reports Of Violations.*

Each licensee shall immediately notify the Commission by telephone of the discovery of any violation or suspected violation of any criminal statute of this state or the United States, the Act or any regulation promulgated thereunder.  
(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-27*

*Rule 1.13 Minimum Bankroll Requirements.* Each licensed gaming establishment shall maintain, in such manner and amount as the Executive Director may approve or require, cash or cash equivalents in an amount sufficient to reasonably protect the licensee's patrons against defaults in gaming debts owed by the licensee. The Executive Director shall distribute to licensees and make available to all interested persons a formula approved by the Commission by which licensees determine the minimum bankroll requirements of this section. If at any time the licensee's available cash or cash equivalents should be less than the amount required by this section, the licensee must immediately notify the Executive Director of this deficiency. Failure to maintain the minimum bankroll required by this section, or a higher bankroll as required by the Executive Director pursuant to this section, or failure to notify the Executive Director of any deficiencies, constitutes reasonable cause for disciplinary action.  
(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-3*

*Rule 1.14 Posting Of Address Of Gaming Commission.*

Each licensed gaming establishment shall conspicuously post on the premises the address of the Mississippi Gaming Commission. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-3*

*Rule 1.15 Admission Fees.*

- (a) All licensees charging an admission fee must give a ticket good for one admission to each person having entered the casino operation for the purpose of gambling. Said ticket shall be valid for a period of the next twenty-four (24) hours after the patron's initial admission and shall have the date and time of initial admission imprinted on the ticket.
- (b) All licensees charging an admission fee shall have an entrance that has been approved by the Executive Director. Said entrance shall not block ingress or egress to the casino. All patrons must enter through an approved entrance. (Adopted: 12/30/1992; Amended: 12/16/93.)

(c) All monies collected from admission fees shall be accounted for and itemized on a form provided by the Commission, which are due on a weekly basis as directed by the Executive Director.

(d) All fees free passes shall be logged with the patron's name and the day in which the pass was issued and utilized. Such logs are not public records within the meaning of the Gaming Control Act and shall only be made available for inspection by Gaming Commission enforcement personnel.

(e) All persons who have oral or written arrangements with a licensee regarding junkets, admissions or transportation to and from the casino, shall be immediately identified and brought forward to the Commission for a find of suitability, pursuant to MGC Reg. III, G.

(Adopted: 12/30/92; Amended: 12/16/1993.)

Source: *Miss. Code Ann. § 75-76-3*

### **Part 3 Chapter 2: OPERATION OF GAMING DEVICES.**

#### *Rule 2.1 Counting Of Gaming Devices For Purposes Of Tax And License Fees.*

(a) Tax and license fees shall be paid on one slot machine when:

1. Only one person has the opportunity to insert one or more coins, currency, tokens or similar object into a single receptacle; and

2. That person has the opportunity to receive cash, premiums, merchandise, tokens or anything of value whatsoever based upon a single means of determining such win or based upon multiple payout lines within a single display unit.

(b) Tax and license fees shall be paid on more than one machine and shall be assessed on the number of means of determining such win or winnings when:

1. The slot machine affords one person the opportunity to insert one or more coins into a multiple number of receptacles; and

2. That person has the opportunity to receive cash, premiums, merchandise, tokens or anything of value whatsoever based upon multiple means of determining such win or winnings.

(c) Tax and license fees shall be paid on more than one machine and shall be assessed per player position when:

1. The slot machine affords more than one person the opportunity to play; and

2. Affords each person the opportunity to win independently of and separate from any other person.

(d) Whenever a slot machine is available for play by the public, there must be present on the premises a responsible person to assist an agent of the Commission in counting and certifying the number of slot machines exposed for play.

(e) Each licensee shall authorize this responsible person to verify and sign the slot count form.

(f) Not having a responsible person available on the premises to assist in the counting of slot machines is an unsuitable method of operation and the count conducted at that time by the agent of the Commission will be presumed to be an accurate and correct tally of machines exposed for play for the purpose of administering license fees and the annual tax.

(g) All slot machine drop buckets shall be removed from their respective slot machines at times submitted in writing and approved by the Executive Director.



The removal of slot machine drop buckets shall be without any interruptions so that an observer may be able to observe proper identification of drop buckets. The drop buckets must be transported directly to the count room where they shall be stored in a secure place or immediately counted. In the event of electronic or mechanical malfunction, the licensee may perform an emergency drop on the malfunctioning device. Such emergency drop must be recorded on the casino surveillance systems.

(Adopted: 09/25/1991; Amended: 06/25/03; Amended 6/25/2010.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 2.2 Progressive Slot Machines.*

(a) As used in this section:

1. "Progressive jackpot" means a slot machine payoff that increases automatically over time or as the machine or another operated by a single licensee is played.
2. "Base amount" means the amount of the progressive jackpot initially offered before it increases.
3. "Incremental amount" means the difference between the amount of a progressive jackpot and its base amount.
4. "Wide area progressive jackpot" means a payoff on a slot machine that is part of a network of machines located at the establishments of more than one licensee, which payoff increases automatically over time or as that machine or others that are part of the network are played.

(b) A meter that shows the amount of the progressive jackpot must be conspicuously displayed at or near the machines to which the jackpot applies. At least once a day each licensee shall record the amount shown on each progressive jackpot meter at the licensee's establishment except for those jackpots that can be paid directly from the machine's hopper. Explanations for meter reading decreases must be maintained with the progressive meter reading sheets, and where the payment of a jackpot is the explanation for a decrease the licensee shall record the jackpot payout form number on the sheet or have the number reasonably available. Each licensee shall record the base amount of each progressive jackpot the licensee offers.

(c) A licensee may limit a progressive jackpot to an amount that is equal to or greater than the amount of the jackpot when the limit is imposed. The licensee shall post a conspicuous notice of the limit at or near the machine or machines to which the limit applies.

(d) A licensee shall not reduce the amount displayed on a progressive jackpot meter or otherwise reduce or eliminate a progressive jackpot unless:

1. A player wins the jackpot;
2. The licensee adjusts the progressive jackpot meter to correct a malfunction or to prevent the display of an amount greater than a limit imposed pursuant to subsection(c) and the licensee documents the adjustment and the reasons for it;
3. The licensee distributes the incremental amount to another progressive jackpot at the licensee's establishment and;
  - i. The licensee documents the distribution;
  - ii. Any machine offering the jackpot to which the licensee distributes the incremental amount does not require that more money be played on a single play to win the jackpot than the machine from which the incremental amount is distributed;

- iii. Any machine offering the jackpot to which the incremental amount is distributed complies with the minimum theoretical payout requirement of Regulation IV; and
  - iv. The distribution is completed within thirty (30) days after the progressive jackpot is removed from play or within such longer period as the Executive Director may for good cause approve.
4. The Executive Director, upon a showing of exceptional circumstances, approves a reduction, elimination, distribution, or procedure not otherwise described in this subsection, which approval is confirmed in writing.
- (e) The operation of wide area progressive slot machines as part of a network of separate gaming facilities licensed by the Commission with an aggregate prize or prizes is allowed. The licensee of a wide area progressive slot system is subject to subsections (b) and (c) as well as any additional conditions imposed by the Commission. The licensee of a wide area progressive slot system shall not reduce the amount displayed on a wide area progressive jackpot meter or otherwise reduce or eliminate a wide area progressive jackpot unless:
- 1. A player wins the wide area progressive jackpot;
  - 2. The wide area progressive licensee adjusts the progressive jackpot meter to correct a malfunction or to prevent the display of an amount greater than a limit imposed pursuant to subsection (c) above and that licensee documents the adjustment and the reasons for it;
  - 3. The wide area progressive licensee distributes the incremental amount to another wide area progressive system or in proportional amounts to the slot systems of the separate establishments which are part of the network of participating gaming facilities and subsections (d)(3)(A) through (D) above are satisfied.
  - 4. The Executive Director, upon a showing of exceptional circumstances, approves a reduction, elimination, distribution, or procedure not otherwise described in this subsection, which approval is confirmed in writing.
- (f) Licensees shall preserve the records required by this section for at least five (5) years after they are made unless the Executive Director approves otherwise in writing.  
(Adopted: 09/25/1991; Amended: 03/16/2000.)

Source: *Miss. Code Ann.* § 76-75-55

### **Part 3 Chapter 3: CARD GAMES**

#### *Rule 3.1 Definitions.*

As used herein, the following terms shall have the following meanings:

- (a) Ante: A player's initial wager or predetermined contribution to the pot prior to the dealing of the first hand.
- (b) Call: A wager made in an amount equal to the immediately preceding wager.
- (c) Card game shill: An employee engaged and financed by the licensee as a player for the purpose of starting and/or maintaining a sufficient number of players in a card game.
- (d) Card room bank: An imprest fund which is a part of and accountable to the licensee's casino cage or bankroll but which is maintained in the card room exclusively for the purposes set forth in sections 5 and 7 of this regulation.
- (e) Card table bank: An imprest inventory of cash and chips physically located in the table tray on the card table and controlled by the licensee through accountability established with the card

room bank. The card table bank shall be used only for the purposes set forth in section 5 of this regulation.

(f) Check: To waive the right to initiate the wagering, but to retain the right to call after all the other players have either wagered or folded.

(g) Hand: One game in a series, one deal in a card game, or the cards held by a player.

(h) Pot: The total amount anted and wagered by players during a hand.

(i) Proposition player: A person paid a fixed sum by the licensee for the specific purpose of playing in a card game who uses his own funds and who retains his winnings and absorbs his losses.

(j) Raise: A wager made in an amount greater than the immediately preceding wager.

(k) Rake-off: A percentage of the pot which may be taken by the licensee for maintaining or dealing the game.

(l) Stake: The funds with which a player enters a game.

(m) Stakes player: A person financed by the licensee to participate in a game under an arrangement or understanding whereby such person is entitled to retain all or any portion of his winnings.

(n) Table tray: A receptacle used to hold the card table bank.

(o) Time buy-in: A charge to a player, determined on a time basis, by the licensee for the right to participate in a game.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* §§ 75-76-5, 75-76-23

### *Rule 3.2 Card Game Drop Box Procedures.*

(a) Each card table shall have one card game drop box with the drop slot located at least four inches in front of the table tray and to the right thereof, unless the table is equipped with a drop slot located at least two inches to the right of and even with the top right-hand corner of the table tray, with a cover over the drop slot, which when activated will cause the rake to drop directly into the drop box. The card game drop box shall be a locked container marked with a permanent number corresponding to a permanent number on the card table and permanently marked to indicate game and shift, all of which markings shall be clearly visible at a distance of 20 feet. The locked container shall be locked to the card table and shall be separately keyed from the container itself.

(b) All card game drop boxes shall be removed from their respective card tables at the times previously submitted in writing to and approved by the Executive Director. The removal of card game drop boxes shall be without any interruptions so that an observer may be able to observe the markings on the boxes. The boxes must be transported directly to the room designated for counting where they shall be stored in a secure place or immediately counted. In the event of electronic or mechanical malfunction, or any other situation which prevents the placement of money in the drop box, the licensee may perform an emergency drop on the malfunctioning device. Such emergency drop must be recorded on the casino surveillance systems.

(Adopted: 09/25/1991; Amended: 07/26/1993; Amended: 06/25/2003; Amended: 6/25/2010.)

Source: *Miss. Code Ann.* § 75-76-23

*Rule 3.3 Sale Of Stakes.* No cash or chips received for the sale of stakes shall be commingled with any rake-offs or other compensation received by the licensee from the players for the right to play.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-23*

*Rule 3.4 Accounting For Transactions Between Card Table Bank And Card Room Bank.*

(a) When the card table bank is to be replenished with chips from the card room bank, all cash or chips to be transferred must be counted down by the dealer in public view on the card table and verified by the person who transports the cash or chips.

(b) The transfer shall be preceded by the placement of appropriately designated marker buttons on the card table of a value equivalent to the cash or chips to be transferred to the card room bank. Such marker buttons may only be removed by the dealer after the transaction has been completed.

(c) Upon written approval of the Executive Director, those licensees wishing to utilize the casino cage in lieu of a card room bank may do so provided that the same procedures as set forth in this section and sections 5 and 7 of this regulation, and related provisions thereto, shall be followed by the casino cage for such transactions.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-45*

*Rule 3.5 Limitations On The Use Of Card Room Banks And Card Table Banks.*

(a) Card room banks shall be used exclusively for the purposes of the issuance and receipt of shill funds, the maintenance of card table banks used in card games, and the purchase and redemption of chips by players.

(b) Card table banks shall be used only for the purposes of making change or handling player buy-ins. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-45*

*Rule 3.6 Rake-off And Time Buy-in.*

(a) The amount of any rake-off must be conspicuously posted at or near the table. Rake-offs shall only be pulled from the pot by the dealer in an obvious manner after each wager and call or at the completion of the hand. The rake-off shall be placed in a designated rake circle and shall remain in the designated rake circle until a winner is declared and paid. The rake-off shall then be dropped into the card game drop box.

(b) The designated rake circle must be clearly visible to all players and shall be positioned in a location on the table where it is at least four inches from and in front of the table tray and at least eight inches from the table drop slot, unless the table is equipped with a drop slot located at least two inches to the right of and even with the top right-hand corner of the table tray, with a cover over the drop slot, which when activated will cause the rake to drop directly into the drop box; such drop slot shall serve as the rake circle.

(c) All time buy-ins or other fees charged shall be immediately placed into the card game drop box.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-45*

*Rule 3.7 Restrictions On Use Of Shills And Proposition Players.*

(a) Shills may not check and raise or play in any manner between themselves or in collusion with others to the disadvantage of other players within the game.

(b) Each establishment employing shills or proposition players shall identify such shills or proposition players upon request and shall display a sign clearly legible from each table which states: "Mississippi gaming regulations allow the use of shills and proposition players. Shills and proposition players shall be identified by management upon request."

(c) Each licensee shall maintain, in a manner as in the case of all other employees, employment records on each individual engaged as a shill or proposition player.

Each licensee must also maintain a list of all shills and proposition players at the card room bank, readily available for inspection.

(d) Persons who participate in the management or supervision of games subject to this regulation shall not be permitted to act as a shill or proposition player.

(e) All advances to and winnings of a shill shall be utilized only for wagering in card games or turned in to the card room bank at the conclusion of play.

(f) No more than a combination of two shills and proposition players may play in a card game.

(g) Shills may only wager chips or coins.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-23*

*Rule 3.8 Restrictions On Other Players.*

(a) Stakes players shall not be utilized by any licensee.

(b) No dealer may wager in any game in which he is dealing.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-25*

**Part 3 Chapter 4: OTHER GAMES**

*Rule 4.1 Operation Of Progressive Keno Games.*

(a) Prior to operating a progressive keno game, the licensee must have systems of record keeping, surveillance, and internal controls relative to the operation of the progressive keno game approved by the Executive Director.

(b) A licensee may impose a limit on a progressive keno game provided the limit imposed by the licensee is greater than the amount showing on the payoff indicator at the time the limit is imposed.

(c) Notice of the progressive keno game payoff limit must be prominently posted at the location of the progressive keno game, and information as to how and in what amount the payoff amount is advanced until the limit is reached shall be readily available to the public in the vicinity of the progressive keno game.

(d) A payoff indicator on a progressive keno game shall not be turned back to a lesser amount unless:

1. A player wins the amount displayed on the payoff indicator;
2. An adjustment becomes necessary to prevent the payoff indicator from showing a payoff greater than the limit; or
3. There is a malfunction, in which case an explanation must be entered as part of the system of records required by section (a) of this section; or
4. There is a dispute, as governed by subsections (f) and (g) of this section.

(e) Once a payoff amount appears on the payoff indicator, that amount may not be decreased except as allowed by this section and must be permitted to remain until won by a player, except as may be otherwise approved by the Executive Director.

Except as otherwise provided by this section, the amount appearing on the payoff indicator is an obligation to the licensee's patrons and it shall be the responsibility of the licensee, if he shall cease operation of the progressive keno game for any reason, including a transfer of ownership of the licensed gaming establishment, to arrange for satisfaction of that obligation in a manner approved by the Executive Director.

(f) In the event of a patron dispute over a payoff of a progressive keno game, the licensee shall:

1. Unless the Executive Director orders otherwise, deposit the total progressive keno payoff amount in an escrow account approved by the Executive Director until an investigation into the dispute has been completed and a decision regarding payment has been rendered; and
2. Set the progressive keno meter to its base amount and continue operating the game.

(g) If a patron dispute is resolved in favor of the licensee, the progressive keno payout must be returned to the meter, less the base figure amount.

(h) Video progressive keno is subject to the provisions of Section III-B-2 governing progressive slot machines.

(i) A licensee who operates a progressive keno game must at all times maintain a sufficient cash reserve or minimum bankroll to ensure that all obligations to patrons are met.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-33*

### **Part 3 Chapter 5: CHIPS AND TOKENS**

#### *Rule 5.1 Definitions.*

As used in this regulation:

(a) "Chip" means a non-metal or partly metal representative of value, redeemable for cash, and issued and sold by a licensee for use at table games or counter games at the licensee's gaming establishment.

(b) "Token" means a metal representative of value, redeemable for cash, and issued and sold by a licensee for use in slot machines or for use in slot machines and at table games or counter games at the licensee's gaming establishment.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 5.2 Approval Of Chips And Tokens; Applications And Procedures.*

(a) A licensee shall not issue any chips or tokens for use in its gaming establishment, or sell or redeem any such chips or tokens, unless the chips or tokens have been approved in writing by the Executive Director. A licensee shall not issue any chips or tokens for use in its gaming establishment, or sell or redeem any such chips or tokens, that are modifications of chips or tokens previously approved by the Executive Director unless the modifications have been approved in writing by the Executive Director.

(b) Applications for approval of chips, tokens, and modifications to previously-approved chips or tokens must be made, processed, and determined in such manner and using such forms as the Executive Director may prescribe. Each application must include, in addition to such other items or information as the Executive Director may require:

1. An exact drawing, in color or in black-and-white, of each side and the edge of the proposed chip or token, drawn to actual size or drawn to larger than actual size and in scale, and showing the measurements of the proposed chip or token in each dimension;
2. Written specifications for the proposed chips or tokens;
3. The name and address of the manufacturer; and
4. The licensee's intended use for the proposed chips or tokens.

(c) If, after receiving and reviewing the items and information described in subsection (b), the Executive Director is satisfied that the proposed chips or tokens conform with the requirements of this regulation, the Executive Director shall notify the licensee in writing and shall request, and the licensee shall thereupon submit, a sample of the proposed chips or tokens in final, manufactured form. If the Executive Director is satisfied that the sample conforms with the requirements of this regulation and with the information submitted with the licensee's application, he shall approve the proposed chips or tokens and notify the licensee in writing. As a condition of approval of chips or tokens issued for use at a specific table or counter game, the Executive Director may prohibit the licensee from using the chips or tokens other than at the specified game. The Commission may retain the sample chips and tokens submitted pursuant to this subsection.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 5.3 Specifications For Chips And Tokens.*

(a) Chips and tokens must be designed, manufactured, and constructed in compliance with all applicable statutes, regulations, and policies of the United States, this state, and other states, and so as to prevent counterfeiting of the chips and tokens to the extent reasonably possible. Chips and tokens must not deceptively resemble any current or past coinage of the United States or any other nation.

(b) In addition to such other specifications as the Executive Director may approve:

1. The name of the issuing gaming establishment must be inscribed on one side of each chip and token, and the city or other locality and the state where the establishment is located must be inscribed on at least one side of each chip and token;
2. The value of the chip or token must be inscribed on one side of each chip and token, other than chips used exclusively at roulette;
3. The manufacturer's name or a distinctive logo or other mark identifying the manufacturer must be inscribed on at least one side of each chip and token; and

4. Each chip must be designed so that when stacked with chips and tokens of other denominations and viewed on closed-circuit, black-and-white television, the denominations of the chip can be distinguished from that of the other chips and tokens in the stack.
- (c) The names of the city or other locality and the state where the establishment is located must be inscribed on at least one side of each chip and token unless the Executive Director finds, after application by a licensee, that such an inscription is not necessary because:
1. The name of the issuing establishment is unique to one readily identifiable establishment in all gaming jurisdictions; and
  2. The inclusion of the city or other locality and the state is not necessary or beneficial for any regulatory purpose relating to the applicant.
- (d) Any application submitted pursuant to subsection (c) must be signed by the chief executive officer of the applicant and be on a form prescribed by the Executive Director.
- (e) Any approval for the deletion of such an inscription shall be in writing and be limited to that period of time in which the name of the licensee is limited to one establishment and conditioned so that it may be withdrawn in the future if the Executive Director determines that the deletion results in confusion with the chips or tokens of another establishment or if such inclusion is deemed necessary or beneficial for any regulatory purpose. (Adopted: 09/25/1991; Amended: 06/20/1996.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 5.4 Additional Specifications For Tokens.*

- (a) Tokens must not be manufactured from material possessing sufficient magnetic properties so as to be accepted by a coin mechanism, other than that of a slot machine.
- (b) Tokens must not be manufactured from a three-layered material consisting of a copper-nickel alloy clad on both sides of a pure copper core, nor from a copper-based material, unless the total of zinc, nickel, aluminum, magnesium, and other alloying materials is at least twenty percent (20%) of the token's weight. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 5.5 Use Of Chips And Tokens.*

- (a) A licensee that uses chips or tokens at its gaming establishment shall:
1. Comply with all applicable statutes, regulations, and policies of this state and of the United States pertaining to chips or tokens;
  2. Sell chips and tokens only to patrons of its gaming establishment and only at their request;
  3. Promptly redeem its own chips and tokens from its patrons;
  4. Post conspicuous signs at its establishment notifying patrons that federal law prohibits the use of the licensee's tokens, and that state law prohibits the use of the licensee's chips, outside the establishment for any monetary purpose whatever; and
  5. Take reasonable steps, including examining chips and tokens and segregating those issued by other licensees to prevent sales to its patrons of chips and tokens issued by another licensee.



(b) A licensee shall not accept chips or tokens as payment for any goods or services offered at the licensee's gaming establishment with the exception of the specific use for which the chips or tokens were issued, and shall not give chips or tokens as change in any other transaction.

(c) A licensee shall not redeem its chips or tokens if presented by a person who the licensee knows or reasonably should know is not a patron of its gaming establishment, except that a licensee shall promptly redeem its chips and tokens if presented by:

1. Another licensee who represents that it redeemed the chips and tokens from its patrons and received them unknowingly, inadvertently, or unavoidably; or
2. An employee of the licensee who presents the chips and tokens in the normal course of employment.

(d) A licensee shall not knowingly sell, use, permit the use of, accept, or redeem chips or tokens issued by another licensee, except as follows:

1. A licensee may redeem tokens issued by another licensee if:
  - i. The tokens are presented by a patron for redemption to a cashier of the licensee's gaming establishment and the patron states that he or she received the tokens at the licensee's establishment from the payout chutes of slot machines or from an employee of the licensee; or
  - ii. The tokens are presented by a patron at a table game, and the licensee redeems the tokens with tokens of its own, places the redeemed tokens in the table's drop box, and separates and properly accounts for the redeemed tokens during the count performed pursuant to the licensee's system of internal control; and
2. A licensee may redeem chips issued by another licensee if:
  - i. The chips are presented by a patron for redemption at the cashier's cage of the licensee's gaming establishment; or
  - ii. The chips are presented by a patron at a table game and the licensee redeems the chips with chips of its own, placed the redeemed chips in the table's drop box, and separates and properly accounts for the redeemed chips during the count performed pursuant to the licensee's system of internal control.

(e) Chips whose use is restricted to uses other than at table games or other than at specified table games may be redeemed by the issuing licensee at table games or non-specified table games if the chips are presented by a patron, and the licensee redeems the chips with chips issued for use at the game, places the redeemed chips in the table's drop box, and separates and properly accounts for the redeemed chips during the count performed pursuant to the licensee's system of internal control.

(Adopted: 09/25/1991.)

Source: *Miss Code Ann.* §§ 75-76-33

*Rule 5.6 Redemption And Disposal Of Discontinued Chips And Tokens.*

(a) A licensee that permanently removes from use or replaces approved chips or tokens at its gaming establishment, or that ceases operating its gaming establishment whether because of closure or sale of the establishment or any other reason, must prepare a plan for redeeming discontinued chips and tokens that remain outstanding at the time of discontinuance. The licensee must submit the plan in writing to the Executive Director not later than thirty (30) days before the proposed removal, replacement, sale, or closure, unless the closure or other cause for discontinuance of the chips or tokens cannot reasonably be anticipated, in which event the

licensee must submit the plan as soon as reasonably practicable. The Executive Director may approve the plan or require reasonable modifications as a condition of approval. Upon approval of the plan, the licensee shall implement the plan as approved.

(b) In addition to such other reasonable provision as the Executive Director may approve or require, the plan must provide for:

1. Redemption of outstanding, discontinued chips and tokens in accordance with this regulation for at least 120 days after the removal or replacement of the chips or tokens or for at least 120 days after operations cease as the case may be, or for such longer or shorter period as the Executive Director may for good cause approve or require;
2. Redemption of the chips and tokens at the premises of the gaming establishment or at such other location as the Executive Director may approve;
3. Publication of notice of the discontinuance of the chips and tokens and of the redemption and the pertinent times and locations in at least two newspapers of general circulation in this state at least twice during each week of the redemption period, subject to the Executive Director's approval of the form of the notice, the newspapers selected for publication and the specific days of publication;
4. Conspicuous posting of the notice described in paragraph (3) at the gaming establishment or other redemption location; and
5. Destruction or such other disposition of the discontinued chips and tokens as the Executive Director may approve or require.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* § 75-76-33

*Rule 5.7 Destruction Of Counterfeit Chips And Tokens.*

(a) As used in this section, "counterfeit chips or tokens" means any chip-or token-like objects that have not been approved pursuant to this regulation, including objects commonly referred to as "slugs," but not including coins of the United States or any other nation.

(b) Unless a peace officer instructs or a court of competent jurisdiction orders otherwise in a particular case, licensees shall destroy or otherwise dispose of counterfeit chips and tokens discovered at their establishments in such manner as the Executive Director may approve or require.

(c) Unless a peace officer instructs or a court of competent jurisdiction orders otherwise in a particular case, licensees may dispose of coins of the United States or any other nation discovered to have been unlawfully used at their establishments by including them in their coin inventories or, in the case of foreign coins, by exchanging them for United States currency or coins and including same in their currency or coin inventories, or by disposing of them in any other lawful manner.

(d) Each licensee shall record, in addition to such other information as the Executive Director may require:

1. The number and denominations, actual and purported, of the coins and counterfeit chips and tokens destroyed or otherwise disposed of pursuant to this section;
2. The month during which they were discovered;
3. The date, place, and method of destruction or other disposition, including, in the case of foreign coin exchanges, the exchange rate and the identity of the bank, exchange

company, or other business or person at which or with whom the coins are exchanged;  
and

4. The names of the persons carrying out the destruction or other disposition on behalf of the licensee.

(e) Each licensee shall maintain each record required by this subsection for at least five (5) years, unless the Executive Director approves or requires otherwise.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 5.8 Promotional And Tournament Chips And Tokens.*

(a) As used in this section, "promotional chip" means a chip- or token-like object issued by a licensee for use in promotions or tournaments at the licensee's gaming establishment.

(b) Promotional chips must be designed, manufactured, approved, and used in accordance with the provisions of this regulation applicable to chips and tokens, except as follows:

1. Promotional chips must be of such shape and size and have such other specifications so as to be distinguishable from other chips and tokens as determined by the Executive Director;

2. Each side of each promotional chip must conspicuously bear the inscription "No Cash Value";

3. Promotional chips must not be used, and licensees shall not permit their use, in transactions other than the promotions or tournaments for which they are issued; and

4. The provisions of section 7 of this regulation shall not apply to promotional chips.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 5.9 Other Instrumentalities.*

Other instrumentalities with which gaming is conducted must be designed, manufactured, approved, used, discontinued, destroyed, or otherwise disposed of in accordance with the provisions of this regulation applicable to chips and tokens, except as follows:

(a) Such other instrumentalities must be of such shape, size, and design and have such other specifications as the Executive Director may approve or require; and

(b) The Executive Director, in his discretion, may deny approval of instrumentalities other than chips and tokens or may grant approval subject to such conditions as he considers appropriate.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 5.10 Receipt Of Gaming Chips Or Tokens From Manufacturer Or Distributor.*

(a) When chips or tokens are received from the manufacturer or distributor thereof, they shall be opened and checked by at least two (2) employees of the licensee from different departments. Any deviation between the invoice accompanying the chips or tokens and the actual chips or tokens received or any defects found in such chips or tokens shall be reported promptly to the Executive Director.

(b) After checking the chips received, the licensee shall cause to be reported in a chip inventory ledger the denomination of the chips received, the number of each denomination of chip received, the description of all chips received, the date of such receipt, and the signature of the individuals who checked such chips.

(c) If any of the chips received are to be held in reserve and not utilized either at the gaming tables or at a cashier's cage, they shall be stored in a separate locked compartment either in the vault or in a cashier's cage and shall be recorded in the chip inventory ledger as reserve chips.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 5.11 Inventory Of Chips.*

(a) Chips shall be taken from or returned to the reserve chip inventory in the presence of at least two (2) individuals. The denominations, number and amount of chips so taken or returned shall be recorded in the chip inventory ledger together with the date and signatures of the individuals carrying out this process.

(b) Each licensee shall, on a monthly basis, compute and record the unredeemed liability for each denomination of chips, the result of such inventory must be recorded in the chip inventory ledger. On a monthly basis, each licensee shall conduct an inventory of chips in reserve and the result of such inventory must be recorded in the chip inventory ledger. If the reserve chips are stored in a locked compartment that is sealed and tamper resistant, a physical inventory must be conducted annually, unless the compartment is opened, at which time an inventory must be conducted.

(Amended: 03/15/2007.)

(c) During nongaming hours all chips in the possession of the licensee shall be stored in the chip bank, in the vault, or in a locked compartment in a cashier's cage, except that chips may be locked in a transparent compartment on gaming tables provided that there is adequate security as approved by the Executive Director.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 5.12 Appeal To Commission.*

If the Executive Director denies any application required or permitted by this regulation, or withdraws any approval previously granted, the licensee may appeal the Executive Director's decision to the Commission within ten (10) days after the date of the decision. The appeal must be in writing and specify the reasons the licensee believes the Executive Director's decision is erroneous. No judicial review of the Commission's decision is permitted.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-33*

**Part 3 Chapter 6: SURVEILLANCE**

*Rule 6.1 Definitions.*

As used in this regulation:

- (a) "PTZ camera" means a video camera which possesses, at a minimum, pan, tilt, and zoom capabilities or features comparable thereto.
  - (b) "Dedicated camera" means a video camera which is required by this regulation or an order of the Executive Director, Commission or a court of competent jurisdiction, to continuously monitor and record a specified activity and/or area.
  - (c) "Monitor room" means the designated room on the licensee's property that houses the surveillance system, is used exclusively for casino surveillance purposes and is dedicated to providing the coverage prescribed by this regulation.
  - (d) "Immediate notification" means notification to the Executive Director by telephone within 15 minutes of the discovery of any activity so prescribed by this regulation.
  - (e) "Immediate access" means access without delay and upon demand of the Commissioners, Executive Director or any of his agents.
- (Adopted: 09/25/1991; Amended: 09/21/2000.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 6.2 Access to Monitor Rooms.*

Access to monitor rooms shall be limited only to those personnel who are employed exclusively for surveillance purposes and those personnel whose names appear on the monitor room access list approved by the Executive Director; such access list shall be submitted either quarterly or upon any revision.

- (a) The Commissioners, the Executive Director, and their agents shall, upon presentation of proper credentials, at all times be provided immediate access to the monitor room and any other surveillance areas; and shall be provided immediate access to all documentation including, but not limited to, logs, correspondence, electronic mail, facsimile transmissions and any other reports, in any form, generated by or within the surveillance department. Confidential files maintained solely by the Director or Manager of Surveillance shall be made available upon request.
  - (b) Additional personnel may be granted access, with prior written approval from the Executive Director, for management purposes, or to repair, install or maintain equipment residing in the monitor room. Any person that is not employed exclusively for surveillance purposes, must, upon entry to the monitor room, enter their name, the date, the reason for their visit and the time they arrived and departed from the monitor room on a visitor's log. The visitor's log shall be maintained in the monitor room for inspection by the Executive Director and shall be retained in a format approved by the Executive Director for a period of five (5) years.
  - (c) Surveillance coverage reviews requested by management shall be conducted in an area separate from that which contains working monitors and/or any real-time observations and/or coverage.
- (Adopted: 09/25/1991; Amended: 09/21/2000.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 6.3 Surveillance Systems: General Requirements And Minimum Standards.*

This regulation sets forth the minimum standards that must be followed by licensees with respect to surveillance systems and monitor rooms. The Executive Director may, in his sole discretion, require a licensee to comply with surveillance system requirements that are more stringent than

those set forth in this regulation. The Director or Manager of Surveillance shall be held responsible for the licensee's compliance with each section of this regulation.

(a) Every licensee shall install, maintain and operate at all times a surveillance system either comprised of cameras, monitors, video recorders and a video printer; or an alternative system approved by the Executive Director that provides the coverage required by this regulation.

(b) The surveillance system must include date and time generators that display on each recording the date and time of the recorded events. The displayed date and time must not obstruct the recorded view and shall periodically be synchronized, at least weekly, with all other equipment in the monitor room.

(c) With exception to satellite monitoring stations approved by the Executive Director, all equipment utilized to monitor or record views of gaming operations obtained by the surveillance system must be and remain located in the monitor room. Monitor room equipment must have complete override of any satellite monitoring or recording equipment approved by this section. The entrance to the monitor room must be located away from the view of casino employees and the general public.

(d) The monitor room must be staffed and the surveillance equipment monitored at all times by trained surveillance personnel.

1. A minimum of three (3) surveillance personnel shall staff each shift in the monitor room of licensees with 1,800 or greater gaming positions; licensees with less than 1,800 gaming positions shall staff the monitor room with a minimum of two (2) surveillance personnel.

(e) The surveillance system, monitor room and its equipment must be directly and securely wired in a way to resist tampering. An auxiliary power source must be available and capable of providing uninterrupted power to the surveillance system in the event of a power loss and provide sufficient lighting to operate the surveillance system. The auxiliary power source shall be tested quarterly, and a report maintained by the surveillance department.

(f) Each camera in the surveillance system located in public gaming areas must be placed behind a smoked glass dome, a one-way mirror or other similar material which conceals the camera from view.

(g) The surveillance system may view and record in black and white, except that pit transactions occurring at the casino cage and views of roulette tables must be viewed and recorded in color.

(h) The video printer used in the surveillance system must possess the capability to generate instantaneously upon command, a clear, still black and white or color copy or photograph of the images depicted in any recording made by the surveillance system.

(i) The licensee must have the capability of creating first generation copies of any recording made by the surveillance system. Copies, at a minimum, shall be one-half inch standard speed VHS format or other format approved by the Executive Director.

(j) Every licensee shall maintain equipment in the monitor room to provide an interface with the slot data and/or accounting system that shall display signals sent from each of the licensee's electronic gambling devices. At a minimum, the following signals shall be displayed on such equipment: jackpot, machine door access, drop door access, BVA door access, illegal machine access and auxiliary or compartment fill door access.

(k) Areas covered by multiplexed signals shall be limited to areas where slot machines are exposed for play.

(l) Every licensee shall maintain in the monitor room the following for inspection by the Executive Director and his agents: Current revenue drop routes; current surveillance system

plans and/or schematics with a list of camera numbers, type and coverage provided; the licensee's internal controls and procedures for all gaming departments observed by the surveillance system.

(m) The individual responsible for the operation of the Surveillance Department shall not share any duties with the individual responsible for the operation of the Security Department. The duties of the Security and Surveillance departments shall be separate and distinct and neither department or individual responsible for either department shall have supervisory authority over the other.

(n) Adequate lighting shall be present in all areas of the casino floor, count rooms, and security interview rooms to enable the surveillance system to provide clear viewing and reproductions.

(Adopted: 09/25/1991; Amended: 09/21/2000; Amended: 10/27/05.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 6.4 Surveillance Systems: Count Rooms And Casino Cage.*

(a) Every licensee shall install, maintain, and operate at all times a surveillance system that possesses the capability to monitor and record clear unobstructed views of all areas and transactions within:

1. The hard count room and any area where uncounted coin is stored during the drop and count process, including walls, corners, doors, scales, wrapping machines, coin sorters, vaults, safes, and general work surfaces;

2. The soft count room, and any area where uncounted currency is stored during the drop and count process, including walls, corners, doors, drop boxes, vaults, safes, and counting surfaces. All counting surfaces must be transparent; and

3. The casino cage, including customer windows, employees' windows, cash drawers, vaults, safes, counters, chip storage, and fill windows.

(b) All transactions within the hard count room and soft count room must be recorded with sufficient clarity to permit identification of each employee and his movements, and to permit identification of all currency, coins, and paperwork. The soft count room shall have audio monitoring capabilities; and soft count room audio and video recordings must be retained fourteen (14) days. Hard count video recordings must be retained for fourteen (14) days.

(c) All transactions within the casino cage, must be recorded with sufficient clarity to permit identification of each employee and his movements, and to permit identification of all currency, coins, and paperwork. The casino cage recordings must be retained for fourteen (14) days .

(d) The surveillance department shall follow and record all gaming revenue drops, including emergency drops, and all revenue counts. Start and completion times of all revenue drops and counts shall be documented in the log required by Section 10 (b) of this regulation. At a minimum, this shall include coverage of the removal and transport of the revenue from the gambling device to the secure location on the casino floor and transportation of the revenue to the count room. Recordings of any revenue drop must be retained for fourteen (14) days.

(Adopted: 09/25/1991; Amended: 09/21/2000; Amended: 10/27/05.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 6.5 Surveillance Systems: Table Games And Card Rooms.*

(a) Every licensee who operates table games or a card room shall install, maintain and operate at all times a surveillance system that shall possess the capacity to monitor and record clear and unobstructed views of all active table games or card table surfaces, including table bank trays, with sufficient clarity to permit identification of all chip, cash, dice and card values and the outcome of the game. Roulette tables and wheels must be recorded so as to permit views of both the table and the wheel on one monitor screen - The Commission requires that each licensee exercise its best efforts to provide this coverage.

(b) Every licensee who operates table games or a card room shall install, maintain, and operate at all times a surveillance system that shall possess the capability to monitor and record clear and unobstructed views of the following:

1. All table game and card room areas with sufficient clarity to permit identification of all dealers, patrons, spectators and pit personnel; and
2. All drop boxes and table numbers.
3. Simultaneous coverage of both the table game area and the table game surface;

(c) Every licensee who operates table games or a card room shall install, maintain, and operate at all times a surveillance system that shall monitor and record clear and unobstructed views of the following:

1. Continuous, uninterrupted and simultaneous coverage of the table game surface and progressive meter of any table game with a progressive jackpot;
2. Continuous, uninterrupted and simultaneous coverage of the table game surface and the secondary bonusing event of any table game that offers such an event.
3. All card room or podium banks, including any drawers, cabinets and safes contained therein.

(Adopted: 09/25/1991; Amended: 09/21/2000.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 6.6 Surveillance Systems: Keno Games.*

Every licensee who operates a keno game shall install, maintain, and operate at all times a surveillance system that continuously monitors and records clear, unobstructed and uninterrupted views of the following while the game is exposed for play:

(a) All keno desks, and satellite stations, including counters, windows, cash drawers, keno boards, supervisor work areas, and transaction areas, with sufficient clarity to permit identification of cash, all parts of a keno ticket, the patrons and employees; and

(b) The keno ball drawing device and the random number generator in computerized systems, with sufficient clarity to identify the number on each ball drawn.

(Adopted: 09/25/1991; Amended: 09/21/2000.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 6.7 Surveillance Systems: Slot Machines.*

(a) Every licensee who exposes slot machines for play shall install, maintain, and operate at all times a surveillance system that continuously monitors and records clear, overall, and continuous views of all areas that contain slot machines with sufficient clarity to identify all patrons and employees, candle, drop door and auxiliary fill compartment doors. The recordings must be retained for at least fourteen (14) after the date of the recording.



(b) Every licensee who exposes slot machines for play shall install, maintain, and operate at all times a surveillance system that shall monitor and record clear and unobstructed views of all slot change booths, including their cash drawers, counter tops, counting machines, customer windows and employee windows, recorded with sufficient clarity to permit identification of all transactions, cash, paperwork, patrons and employees.  
(Adopted: 09/25/1991; Amended: 09/21/2000; Amended: 7/25/2010.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 6.8 Surveillance Systems: Casino Security Offices.*

The surveillance system must cover all areas of any security office wherein any persons may be detained, questioned, interviewed or interrogated by casino security officers. Security office coverage must include both audio and video, be recorded at all times that a person is detained, questioned, interviewed or interrogated therein, and the signal must terminate in the surveillance room. The recordings must be retained by the licensee for at least fourteen (14) days after the recorded event. In each office or room covered by this section, a sign must be conspicuously displayed which states that the area is under constant audio and video surveillance.  
(Adopted: 09/25/1991; Amended: 09/21/2000; Amended: 10/27/05.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 6.9 Casino Surveillance System Equipment Malfunctions.*

(a) Every licensee shall establish and maintain a log, in a format approved by the Executive Director, of any and all casino surveillance system equipment malfunctions, and retain the log for a period of five years.  
(b) Each malfunction of the surveillance system must be repaired within 24 hours of the malfunction. If, after 24 hours, activity in the affected area cannot be monitored, the game(s) or machine(s) shall be closed until such coverage can be provided. A record of all malfunctions shall be kept and reported to the Executive Director each day. In the event of a dedicated coverage malfunction, the licensee must immediately provide alternative camera coverage or other security measures that will protect the subject activity. If other security measures are taken, the licensee must immediately notify the Executive Director. The Executive Director may, in his discretion, determine whether the other security measures are adequate. Further, all activity in the area(s) affected by the malfunction will be suspended pending repair if adequate alternative coverage cannot be provided.  
(Adopted: 09/25/1991; Amended: 09/21/2000; Amended: 10/27/05.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 6.10 Surveillance System Recording Requirements.*

(a) In addition to any other recording requirements that are or may be imposed by this regulation, every licensee shall record all views, activities, and locations as the Executive Director may from time to time require.  
(b) Every licensee shall record and maintain a shift activity log of all specific activities observed by casino surveillance personnel, and any activities that appear unusual or irregular, or that violate or appear to violate the Mississippi Gaming Control Act, the regulations promulgated

thereunder or internal control or procedure or any commonly known criminal statute of this state or the United States and notify the Executive Director by telephone immediately. Such log shall be maintained in a format approved by the Executive Director and retained for a period of five (5) years.

(c) Any violation of the licensee's system of internal controls observed by surveillance personnel shall be entered in the log required by Section 10(b) of this regulation.

(d) All recordings produced by a surveillance system must present a clear and unobstructed view of the scene depicted thereon.

(e) Every licensee must retain all video recordings for at least fourteen (14) days after the recording is produced, unless a shorter time period is allowed by another section of this regulation, or by order of the Executive Director, the Commission or a court of competent jurisdiction.

(f) Every recording made by surveillance personnel, including specific activity recorded on working monitors, must be entered into the log required by Section 10(b) of this regulation with the following information: the date, the time period of the recording, the areas covered by the recording, and the corresponding monitor and video recording number. The log shall be signed by the person who made the recording, by no later than the end of the shift during which the recording was made.

1. Recordings from dedicated camera coverage shall be detailed on a list that shall include camera number, area of coverage and the corresponding video recording number on which the recording can be found.

2. Recordings from a PTZ camera shall be detailed by listing the camera number, a description of the scene depicted therein and the corresponding video recording number on which the recording can be found.

(g) All recordings must be made in a format approved by the Executive Director.

(Adopted: 09/25/1991; Amended: 09/21/2000; Amended: 10/27/05.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 6.11 Surveillance System Plans; Alterations To Surveillance System.*

(a) Every applicant for a gaming license shall submit to the Executive Director, a surveillance system plan no later than ninety (90) days prior to the start of gaming operations, and shall comply with the requirements set forth in this regulation no later than seven (7) days prior to the start of gaming operations.

(b) The surveillance system plan must include a casino floor plan that shows the placement of all surveillance equipment in relation to the locations required by this regulation to be covered, and a detailed description of the casino surveillance system and its equipment. In addition, the plan may include other information that evidences compliance with this regulation by the applicant.

(c) Every licensee shall submit, prior to implementation, to the Executive Director for approval, any proposed reduction to its surveillance system in any area required by this regulation.

(Adopted: 09/25/1991; Amended: 09/21/2000.)

Source: *Miss. Code Ann. § 75-76-33*

## Part 3 Chapter 7: JUNKET REPRESENTATIVES

### *Rule 7.1 Definitions.*

(a) "Collection representative" means any person who may approve or extend gaming credit or collects gaming credit instruments negotiated by a preferred guest. The term does not include:

1. Persons holding a Mississippi gaming license or their employees, or
2. A bonded collection agency licensed by local government authorities in the jurisdiction where it has its principal place of business, or
3. Any licensed attorney.

(b) "Complimentary" means a service, item, or accommodation provided to a person at no cost, or at a reduced price not generally available to the public under similar circumstances; however, that term shall include any service, item, or accommodation provided at a reduced price due to the anticipated or actual gaming activities of that person.

(c) "Junket representative" means any person who contracts with a gaming licensee or its affiliate to provide services consisting of arranging transportation or lodging for preferred guests at a licensed gaming establishment. It also means any person who contracts with a gaming licensee or its affiliate to provide services as a collection representative. The term does not include travel agencies that receive compensation based solely on the price of the transportation or lodging, or permanent full-time employees of a gaming licensee or its affiliates.

(d) "Preferred guest" means any person, 21 years of age or older, who receives complimentary transportation, food, lodging, entertainment or other consideration with a retail price in excess of \$200 from a licensed establishment as an inducement to gamble.

(e) "Secondary representative" means any person other than clerical personnel or ticket takers not otherwise exempt under subsections (a) or (b) who receives compensation in any form from a junket representative for assisting a junket representative.

(Adopted: 09/25/1991; Amended: 10/22/1998.)

Source: *Miss. Code Ann. § 75-76-33*

### *Rule 7.2 Filing And Determination Of Suitability.*

(a) Except as provided in subsection (c), a licensee shall not compensate a junket representative for services rendered until the junket representative has filed the information required by this regulation with the Executive Director and the licensee receives written notification from the Executive Director that this information has been submitted in conformity with this regulation.

(b) A filing for junket representative must include the following:

1. The name, address, tax identification number, and type of organization of the junket representative.
2. A copy of any proposed agreement between the licensee and the junket representative.
3. If the junket representative is to guarantee any payment due to a licensee from any preferred guest, a personal financial questionnaire.
4. The designation of persons whom the junket representative may use as a secondary representative.
5. A statement on a form furnished or approved by the Commission that the junket representative:
  - i. Submits to the jurisdiction of the State of Mississippi and the Commission;

ii. Designates the Secretary of State as its representative upon whom service of process may be made; and

iii. Agrees to be governed and bound by the laws of the State of Mississippi and the regulations of the Commission.

6. Such additional information as the Executive Director or Commission may request. In the event the junket representative is not an individual, such officers and principals of the junket representative as the Executive Director may designate shall supply the required information. All information required by this section shall be supplied on forms furnished or approved by the Executive Director.

(c) The junket representative shall provide its filing to the licensee for transmittal to the Executive Director. The Executive Director may reject filings made directly by a junket representative.

(d) A licensee may compensate a junket representative that has filed with the Executive Director pursuant to arrangements with another licensee, provided that the licensee receives written notification from the Executive Director that the junket representative has:

1. Submitted a copy of the proposed agreement between the licensee and the junket representative and such additional information as the Executive Director or Commission may request; and

2. A current filing with the Executive Director and is in compliance with the requirements of section 4.

(e) A licensee may not compensate a junket representative on the basis of theoretical or actual win attributed to a preferred guest unless such junket representative holds a junket representative permit issued by the Commission. Such permit qualifications are those imposed on applicants and holders of a work permit. A junket representative permit is valid for a period of three years. Nothing in this section shall prevent the Executive Director from requiring a finding of suitability of any junket representative.

(f) The Commission may require at any time a finding of suitability of a junket representative. The Commission shall give written notice to the junket representative and any licensee having an agreement with the junket representative on file with the Executive Director that the junket representative will be required to file an application for finding of suitability. The Commission retains jurisdiction to determine the suitability of a junket representative even if the licensee terminates its relationship with the junket representative or the junket representative is otherwise no longer functioning as a junket representative.

(g) If the Commission finds a junket representative to be unsuitable, the filing of such junket representative is thereupon canceled. A licensee or junket representative shall, upon written notification of a finding of unsuitability, immediately terminate all relationship, direct or indirect, with such junket representative. Failure to terminate such relationship constitutes reasonable cause for disciplinary action. No determination of suitability of a junket representative shall preclude a later determination by the Commission of unsuitability. (Adopted: 09/25/1991; Amended: 10/22/1998.)

Source: *Miss. Code Ann.* § 75-76-33

*Rule 7.3 Required Reports And Record Keeping.*

(a) Each licensee shall provide to the Executive Director within one month following each calendar quarter, separate lists of junket representatives, which shall include:

1. Status of current relationship with the licensee;
  2. Compensation in that quarter paid to a junket representative for each service provided to a licensee;
  3. The number of preferred guests attributed to each junket; and
  4. The arrival time and date of each junket;
  5. The departure time and date of the junket; and
  6. Such other information as required by the Executive Director.
- (b) The licensee shall retain in its files for a five-year period and make available for inspection by the Executive Director, and upon request, the following information:
1. The origin and dates of stays by preferred guests arranged by a junket representative;
  2. The total amount of gaming credit extended to such preferred guests, which remains unpaid following their departure;
  3. The name and address of each preferred guest;
  4. Complimentary services, items or accommodations provided to preferred guests;
  5. The amount of gaming credit owed by such preferred guest prior to arrival; and
  6. Such other information as required by the Executive Director regarding any business arrangement between the licensee and the junket representative.
- (Adopted: 09/25/1991; Amended: 10/22/1998.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 7.4 Mandatory Requirements.*

- (a) Every agreement, including any agreement of employment, entered into by a licensee and a junket representative shall be conditioned as follows:
1. If the Commission determines the junket representative is unsuitable, the agreement shall thereupon terminate unless otherwise ordered by the Commission.
  2. The agreement is not effective and the junket representative is not entitled to and may not be paid any compensation until the licensee receives notice that the Executive Director has approved the filing by the junket representative.
- (b) Annually, on or before July 15, each junket representative shall file a list of all secondary representatives on a form furnished or approved by the Executive Director. Each licensee shall send a notice annually, on or before June 1, to each junket representative under contract with it, advising the junket representative of the requirements of this section.
- (c) Any changes in the junket representative's address, telephone number, officers, directors, shareholders or partners and any changes, additions, or deletions to the list of secondary representatives or arrests or convictions of any junket representative, its officers, directors, shareholders, partners or secondary representatives contained within the annual report or the initial submission required under section 2 of this regulation shall be reported by the junket representative to the Executive Director within thirty days thereof. (Adopted: 09/25/1991; Amended: 10/22/1998.)

Source: *Miss. Code Ann. § 75-76-33*

**Part 3 Chapter 8: PLAYER DISPUTES**

*Rule 8.1 Service.*

Except as otherwise provided in this regulation:

- (a) All pleadings, notices, and other papers required by this regulation to be served may be served by personal delivery or certified mail.
- (b) A party serving a pleading, notice or other paper required by this regulation to be served must file with the Commission a proof of service in the form of a certificate signed by the party or his representative and stating the date and manner of service. (Adopted: 09/25/1991; Amended: 03/29/1993.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 8.2 Initiation Of Hearing Procedure; Notice Of Hearing.*

- (a) Proceedings to review a decision made by the Executive Director pursuant to Miss. Code Ann. §75-76-159 must be initiated by the filing and service of a petition in accordance with Miss. Code Ann. §75-76-161.
- (b) A copy of the petition must be served on the respondent.
- (c) The respondent may file and serve a written response within 15 days after being served with a copy of the petition.
- (d) After the time for respondent to file and serve a written response to the petition has expired, the hearing examiner shall determine the date, time and place of the hearing on the petition.
- (e) Notice of the hearing must be served by the hearing examiner on each of the parties at least 20 days before the hearing, unless the hearing examiner reasonably determines that a lesser notice period is appropriate. (Adopted: 09/25/1991; Amended: 03/29/1993.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 8.3 Pre-hearing Motions.*

Unless otherwise ordered by the hearing examiner, all pre-hearing motions must be filed and served at least ten (10) days before the hearing. (Adopted: 09/25/1991; Amended: 03/29/1993.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 8.4 Nature Of Hearing.*

- (a) Unless the hearing examiner reasonably determines that a different procedure is appropriate, the hearing must be conducted in accordance with the following procedures:
  1. The petitioner may present an opening statement on the merits and the respondent may then make a statement of the defense. The respondent may reserve his statement of the defense for the presentation of his case.
  2. After his opening statement, if made, and the respondent's statement of the defense, if not reserved, the petitioner shall present his case in chief in support of the petition.
  3. Upon conclusion of the petitioner's case in chief, the respondent may move for dismissal of the petition. The hearing examiner may grant, deny, or reserve decision on the motion, with or without argument.
  4. If no motion to dismiss is made, or if such motion is denied or decision is reserved thereon, the respondent shall then present his case in defense.
  5. Upon conclusion of the respondent's case, the petitioner may present rebuttal evidence.

6. After the presentation of the evidence by the parties, the petitioner may present a closing argument. The respondent may then present his closing argument and the petitioner may then present a rebuttal argument. Thereafter the matter will stand submitted for decision.

(b) All or part of the hearing may be conducted by telephone.

(c) The hearing must be recorded by the hearing examiner on audio tape or other means of sound reproduction, unless it is reported stenographically for a party at the party's own expense, in which case the party must provide the original hearing transcript to the hearing examiner.

(d) Unless otherwise ordered by the hearing examiner, the parties may submit written memoranda of points and authorities at any time before the hearing. The hearing examiner may order or allow the parties to file written memoranda of points and authorities after the conclusion of the hearing.

(Adopted: 09/25/1991; Amended: 03/29/1993.)

Source: *Miss. Code Ann. § 75-76-33*

#### Rule 8.5 Presentation Of Evidence.

(a) Oral evidence may be taken only upon oath or affirmation administered by the hearing examiner.

(b) Affidavits may be received in evidence as provided in subsection 3 of Miss. Code Ann. §75-76-111.

(c) Each party may:

1. Call and examine witnesses;

2. Introduce exhibits relevant to the issues of the case, including the transcript of testimony at any investigative hearing;

3. Cross-examine opposing witnesses on any matter relevant to the issues of the case, even though the matter was not covered in a direct examination;

4. Impeach any witness, regardless of which party first called him to testify; and

5. Offer rebuttal evidence.

(d) If a party does not testify on his own behalf he may be called and examined as if under cross-examination. (Adopted: 09/25/1991; Amended: 03/29/1993.)

Source: *Miss. Code Ann. § 75-76-33*

#### Rule 8.6 Admissibility Of Evidence.

(a) The hearing need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence may be admitted and is sufficient in itself to support a finding if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in a civil action.

(b) The parties or their counsel may by stipulation agree that certain evidence be admitted even though such evidence might otherwise be subject to objection.

(c) Irrelevant and unduly repetitious evidence should not be admitted. (Adopted: 09/25/1991; Amended: 03/29/1993.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 8.7 Subpoenas.*

At the request of a party, subpoenas must be issued by the hearing examiner as provided in subsection 1 of Miss. Code Ann. §75-76-109. (Adopted: 09/25/1991; Amended: 03/29/1993.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 8.8 Discovery.*

No discovery shall be permitted except upon a finding of good cause justifying the discovery sought. (Adopted: 09/25/1991; Amended: 03/29/1993.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 8.9 Official Notice.*

The hearing examiner may take official notice of any generally accepted information or technical or scientific matter within the field of gaming, and of any other fact which may be judicially noticed by the courts of this state. The parties must be informed of any information, matters or facts so noticed and must be given a reasonable opportunity, on request, to refute such information, matters or facts by evidence or by written or oral presentation of authorities. The manner of such refutation shall be determined by the hearing examiner. (Adopted: 09/25/1991; Amended: 03/29/1993.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 8.10 Amended Or Supplemental Pleadings.*

The hearing examiner may, before submission of the case for decision, permit the filing of an amended or supplemental petition or response, including an amended or supplemental pleading that conforms to the evidence presented during the hearing. A request for permission to file an amended or supplemental pleading may be made orally during the hearing or in writing. If the request is in writing, a copy must be served on the opposing party. The hearing examiner thereafter shall provide the opposing party a reasonable opportunity to make objections thereto. If an application for leave to file an amended or supplemental pleading is granted, the hearing examiner must permit the parties to introduce additional evidence with respect to any new matter contained in the pleading. (Adopted: 09/25/1991; Amended: 03/29/1993.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 8.11 Continuances.*

Continuances of the hearing date may be granted upon a showing of good cause by the party requesting the continuance. (Adopted: 09/25/1991; Amended: 03/29/1993.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 8.12 Communications With The Hearing Examiner or Commission.*

(a) Unless required for the disposition of ex parte matters authorized by statute or regulation:



1. Neither a party nor his representative shall communicate, directly or indirectly, with any Commission member or the hearing examiner regarding any matter related to the hearing, except upon notice and opportunity to all parties to participate.
2. Neither a Commission member nor the hearing examiner shall communicate, directly or indirectly, with any party or his representative regarding any matter related to the hearing, except upon notice and opportunity to all parties to participate.

(b) This section does not preclude:

1. Any Commission member or the hearing examiner from consulting with Commission counsel concerning any matter related to the hearing.
2. A party or his counsel conferring with the hearing examiner, the Commission Chairman, or Commission counsel on procedural matters. (Adopted: 09/25/1991; Amended: 03/29/1993.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 8.13 Default.*

The unexcused failure of a party to appear at the hearing may constitute a default and an admission of any facts that may have been alleged by the opposing party. The hearing examiner may take action based on such default or admission or on any other evidence without further notice to the defaulting party. If the hearing examiner takes action based on an admission, the record must include the evidence upon which the action is based. (Adopted: 09/25/1991; Amended: 03/29/1993.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 8.14 Contempt.*

If any person in proceedings before the Commission or hearing examiner under this regulation disobeys or resists any lawful order or refuses to respond to a subpoena, or refuses to take the oath or affirmation as a witness, or thereafter refuses to be examined, or is guilty of misconduct during the hearing or so near the place thereof as to obstruct the proceeding, the Commission may certify the facts to the circuit court in and for the county where the proceedings are held. At the request of the Commission, the court shall then issue an order directing the person to appear before the court and show cause why he should not be punished for contempt. The court order and a copy of the statement of the Commission or hearing examiner must be served on the person cited to appear. Thereafter the court has jurisdiction of the matter, and the same proceedings must be had, the same penalties may be imposed and the person charged may purge himself of the contempt in the same way as in the case of a person who has committed a contempt in the trial of a civil action before a circuit court.

(Adopted: 09/25/1991; Amended: 03/29/1993.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 8.15 Burden Of Proof.*

The petitioner bears the burden of showing by a preponderance of the evidence that the decision made by the Executive Director pursuant to Miss. Code Ann. §75-76-159 should be reversed or modified.

(Adopted: 09/25/1991; Amended: 03/29/1993.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 8.16 Decision Of The Hearing Examiner.*

(a) After the hearing, the hearing examiner shall render a written decision on the merits that sustains, modifies or reverses the initial decision of the Executive Director.

(b) The decision of the hearing examiner must contain findings of fact and a determination of the issues presented.

(c) A copy of the decision must be served on each party. The decision must be accompanied by proof of service in the form of a certificate signed by an agent or employee of the Commission and stating the date and manner of service. The decision is effective and final upon service on all parties, unless otherwise ordered by the hearing examiner. If the decision is sent by mail, it will be presumed to have been served five calendar days after it is mailed. (Adopted: 09/25/1991; Amended: 03/29/1993.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 8.17 Appeal To Commission.*

(a) Any party aggrieved by a final decision of the hearing examiner may appeal to the Commission pursuant to Miss. Code Ann. §75-76-119.

(b) The Commission's review will be limited to the evidence before the hearing examiner. The Commission may remand the case to the hearing examiner for additional evidence if sufficient reason exists for the failure to present the evidence at the hearing.

(c) The Commission may affirm, modify, or reverse the decision of the hearing examiner.

(d) A copy of the Commission's decision must be served on each party. The decision must be accompanied by proof of service in the form of a certificate signed by an agent or employee of the Commission and stating the date and manner of service. The decision is effective and final upon service upon all parties, unless otherwise ordered by the Commission. If the decision is sent by mail it will be presumed to have been served five calendar days after it is mailed. (Adopted: 09/25/1991; Amended: 03/29/1993.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 8.18 Judicial Review.*

Judicial review of a final decision of the Commission may be had in accordance with Miss. Code Ann. §75-76-167 through 173, inclusive, of the Act. (Adopted: 09/25/1991; Amended: 03/29/1993.)

Source: *Miss. Code Ann. § 75-76-33*

**Part 3 Chapter 9: UNSUPERVISED MINORS**

*Rule 9.1 In General*

(a) Terms used in this regulation are defined, as follows:

1. "Minor" is a person younger than twenty-one (21) years of age.
  2. "Gaming Areas" are the areas of the establishment, vessel, cruise vessel where gaming has been approved and is actively conducted.
  3. "Nongaming Areas" are the public common areas located upon the premises of a licensee, including, but not limited to, restaurants, arcades, pools, garages and parking lots.
  4. "Young adult" is a minor aged 16 through 20 who may be charged with the responsibility of properly supervising a minor younger than 16 years of age.
  5. "Unsupervised minor" is a minor younger than 16 years of age not in the company of a parent, guardian, young adult or other adult responsible for the welfare of the minor.
- (b) The responsibility for minors lies first and foremost with parents. However, licensees should use reasonable efforts to safeguard the wellbeing of unsupervised minors.
- (c) A licensee shall not allow a minor to play, place wagers, or collect winnings, whether personally or through an agent, from any gaming authorized under the Gaming Control Act. A licensee shall not allow minors to loiter in gaming areas.
- (d) A licensee shall not allow unsupervised minors in gaming areas and shall not allow unsupervised minors in nongaming areas between the hours of 10:00 P.M. and 5:00 A.M., Sunday night through Friday morning, or between the hours of 12:00 A.M. and 5:00 A.M., Saturday or Sunday.
- (e) Minors shall be allowed in licensed childcare facilities on the premises at any time.
- (f) If an unsupervised minor is found in violation of these regulations, security shall immediately take reasonable measures to locate the parent, guardian, young adult or other adult responsible for the welfare of the unsupervised minor. If located, the responsible person or persons will be brought to the unsupervised minor's location and strongly warned that they may not leave minors unattended except in accordance with this regulation. A child safety brochure will be made available to the parent, guardian, young adult or other adult responsible for the welfare of the unsupervised minor, once they are located. The parent, guardian, young adult or other adult responsible for the welfare of the unsupervised minor must present proper identification and the unsupervised minor will be returned to their care and custody. If the parent, guardian or other adult responsible for the welfare of the unsupervised minor is not located within a reasonable time or refuses to provide proper identification, local law enforcement authorities shall be contacted to assume custody of the unsupervised minor or otherwise exercise authority over the matter. A parent, guardian, young adult or other adult responsible for the welfare of the unsupervised minor, who refuses to comply after warned, shall be asked to leave the premises with the unsupervised minor. At the discretion of the licensee, a parent, guardian, young adult or other adult responsible for the welfare of the unsupervised minor, who is a lodging guest, may return to their accommodations with the unsupervised minor. After the detection of a violation of this regulation, actions taken by security personnel shall be recorded in a log, which shall include the identification of the parent, guardian, young adult or other adult responsible for the welfare of the unsupervised minor and his or her relationship to the unsupervised minor.
- (g) A licensee shall take reasonable efforts to caution patrons against leaving minors unattended, via signage, as well as upon registration at any lodging facilities on the premises, via a brochure.
- (h) A licensee shall establish company policies and procedures, and train employees in techniques to identify and respond in dealing with unsupervised minors.
- (i) The provisions of this regulation are solely regulatory in nature and neither create a minimum standard of care toward the public nor establish a private cause of action for non-compliance.

(Adopted: 10/22/1998; Amended: 02/23/2006.)

Source: *Miss. Code Ann. § 75-76-33*

### **Part 3 Chapter 10: PROCEDURES TO ADDRESS PROBLEM GAMBLING.**

#### *Rule 10.1 Definitions*

The following words and terms, when used in these regulations concerning self-exclusion procedures J., shall have the following meanings:

- (a) “Self-exclusion” means voluntarily having oneself barred from the premises of any licensed gaming establishment (hereinafter “casino”) in Mississippi and from all gaming-related activities and privileges, including the issuance of gaming credit and check-cashing privileges; the receipt of direct-marketing and promotional materials regarding gaming opportunities, junket solicitations, player club memberships, complimentary goods and services and the like; and collection of any winnings or recovery of any losses during the exclusionary period.
  - (b) “Premises” for purposes of self-exclusion shall mean “premises” as defined in the Gaming Control Act, §75-76-5(bb).
  - (c) “Self-excluded person” means any person whose name is included on the self-exclusion list maintained by the Commission.
  - (d) “Self-exclusion list” mean the list of names of self-excluded persons.
- (Adopted:03/25/1999; Amended: 09/21/00; Amended: 09/24/03.)

Source: *Miss. Code Ann. § 75-76-33*

#### *Rule 10.2 Request for Self-Exclusion*

- (a) Any person may request self-exclusion pursuant to these regulations by appearing personally at any office of the Mississippi Gaming Commission where he or she shall:
  - 1. Present valid identification credentials containing:
    - i. His or her signature; and
    - ii. Either a photograph or a general physical description;
  - 2. Be photographed by the Commission; and
  - 3. Submit a completed Request for Self-Exclusion form; and
  - 4. Turn over to the Commission all player club cards and similar items issued by any casinos to the person for purposes of gambling.
- (b) The Request for Self-Exclusion shall be on a form prescribed by the Commission, and shall be available at all licensed casinos and at any office of the Mississippi Gaming Commission.
- (c) The Request for Self-Exclusion form shall include:
  - 1. The following identifying information concerning the person submitting the self-exclusion request:
    - i. Name, including any aliases or nicknames;
    - ii. Date of birth;
    - iii. Address of current residence;
    - iv. Telephone number of current residence;
    - v. Social Security number, if such information is voluntarily provided by the person requesting self-exclusion;
    - vi. A physical description of the person, including height, weight, gender, hair

color, eye color and any other physical characteristic that may assist in the identification of the person;

2. The length of the self-exclusion period requested by the person, which may be for any length of time up to lifetime, but in no event for less than five years.

3. A waiver and release that shall be in the following form:

“I hereby release and hold the State of Mississippi, the Mississippi Gaming Commission and its employees, and all casinos and their affiliated companies, employees, officers and agents harmless from any claim by me or any third party for any harm, monetary or otherwise, which may arise out of or by reason of any act or omission relating to the request for self-exclusion or maintenance or enforcement of the self-exclusion list, including, but not limited to, the forfeiture of any money or thing of value obtained by me from, or owed to me by, a casino as a result of wagers made by me while on the self-exclusion list.”

4. The signature of the person submitting the Request for Self-Exclusion indicating acknowledgment of the following statement:

“Because I am a problem gambler, I am voluntarily requesting exclusion from the entire premises of all Mississippi casinos, including gaming premises, restaurants, and hotels, and from the issuance of gaming credit, check-cashing privileges, receipt of direct-marketing and promotional materials regarding gaming opportunities, and collection of any winnings or recovery of any losses during the exclusionary period. I understand that no further points, rewards or benefits may be accumulated or redeemed from the player recognition programs I have participated in. I understand that this self-exclusion request does not release me from any debts incurred prior to or during the self-exclusion period. I understand that during the self-exclusion period, any money or thing of value obtained by me from, or owed to me by, a casino as a result of wagers made by me while on the self-exclusion list shall be subject to forfeiture to the Mississippi Gaming. I hereby consent to having this form, my photograph and identifying information disseminated to necessary casino personnel to identify me should I attempt to return to any casino, and further consent to having said information disclosed to casino affiliated companies outside of Mississippi and that I may be excluded from those casinos without further action on my part. I likewise acknowledge that my self-exclusion information may be forwarded by the Mississippi Gaming Commission to the Louisiana and/or Choctaw Gaming Commissions for dissemination to casinos in those jurisdictions, such that I may be self-excluded from those casinos. I acknowledge that for my request of self-exclusion to be truly effective, I must exercise self-restraint and shall not attempt to enter the premises of any casino or ask any casino employee to assist me with any of the services or privileges, which are the subject of this request. I acknowledge that I am hereby banned and forbidden from entering the premises of any casino and that if I am found anywhere on the premises of a Mississippi casino, I will immediately be ejected, and, within the discretion of the casino, may be arrested and prosecuted for criminal trespass pursuant to Miss. Code Ann. 97-17-97; and my continued non-cooperation or attempt to breach my self-exclusion may result in placement by the Commission on the involuntary exclusion list. I certify that the information that I have provided herein is true and accurate, and that I have read, understand and agree to the waiver and release above.”

5. An indication of the type of identification credentials examined containing the signature of the person requesting self-exclusion, and whether said credentials included a photograph or just a general physical description of the person; and
  6. The signature of a Commission employee authorized to accept such request, indicating that the signature of the person on the Request for Self-Exclusion appears to agree with that contained on his or her identification credentials, and that the photograph or physical description of the person contained on his identification credentials appears to agree with his or her actual appearance.
- (d) The request for self-exclusion may be made only by the individual for whom exclusion would apply, and not by any other person. (Adopted:03/25/1999; Amended: 09/21/00; Amended: 09/24/03; Amended: 06/25/10.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 10.3 Self-Exclusion List*

- (a) The Commission shall maintain the official self-exclusion list and shall notify each casino of any addition to or deletion from the list by electronic mail, to be followed up with notification via U.S. Mail and/or in the same manner and form as other notices are made by the Commission under these regulations.
- (b) The notice provided by the Commission to all casinos concerning any person whose name shall be either added to or deleted from the self-exclusion list will include the following information:
  1. All of the identifying information required by Section 2(c)(1) which was given on the Request for Self-Exclusion, or the request for removal from self-exclusion, whichever is applicable; and,
  2. A copy of the photograph taken by the Commission pursuant to Section 2(a).
- (c) Each casino shall maintain its own copy of the self-exclusion list and shall establish procedures to ensure that its copy of the self-exclusion list is updated and that all appropriate employees and agents of the casino are notified of any addition to or deletion from the list within ten (10) days after the day the notice is received by the casino.
- (d) Casinos with affiliated gaming establishments in other jurisdictions may choose to share the self-exclusion list with and invoke it in those establishments, in accordance with applicable laws and regulations in those jurisdictions, and without violation of the confidentiality requirements of these regulations.
- (e) Information furnished to or obtained by the Commission pursuant to these regulations shall be deemed confidential and shall not be disclosed except in accordance with these regulations.
- (f) No casino, its affiliates, officers or employee thereof shall disclose the self-exclusion list or portion thereof except as necessary to comply with the provisions of these regulations. Notwithstanding the foregoing, such information may be disclosed to casino employees, officers, agents and affiliated companies, to law enforcement, and in response to a subpoena request or court order in criminal or civil proceedings.
- (g) Any self-excluded person who is an employee of a casino may request permission from the Commission to enter a specific casino to carry out the duties of employment. Such requests must be made in writing by the human resources department of the casino and state with specificity the reason for the request along with employment documentation. The approval of this request is

subject to rescission at any time by the Executive Director. (Adopted:03/25/1999; Amended: 09/21/2000; Amended: 09/24/2003; Amended 01/17/2008.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 10.4 Duties of Casino*

(a) Each casino shall have and make available to all patrons the Self-Exclusion Form developed and provided by the Commission.

(b) Each casino shall designate a person or persons to be the contact person with the Commission for purposes of self-exclusion procedures, including receipt and maintenance of the self-exclusion list, submission of the casino licensee's procedures, and all other communications between the Commission and the casino for self-exclusion purposes.

(c) Each casino shall establish procedures and systems which:

1. Require employees of the casino, upon identification of a self-excluded person present in the casino, to notify:

i. Those employees of the casino designated to monitor the presence of self-excluded persons; and

ii. Designated representatives of the Commission via facsimile transmission and U.S. Mail;

2. Utilize the player tracking systems and other electronic means, including checking all taxable patron winnings against the self-exclusion list, to assist in determining whether self-excluded persons are participating in any gaming activities;

3. Deny casino credit, check cashing privileges, player club membership, complimentary goods and services, junket participation and other similar privileges and benefits to any self-excluded person;

4. Ensure that self-excluded persons do not receive, either from the casino or any agent thereof, targeted mailings, telemarketing promotions, player club materials or other promotional materials relative to gaming activities at its licensed casino.

(d) Each casino shall post or provide at each entrance and exit to the gaming premises, and in conspicuous places in or near gaming or cage areas and cash dispensing machines located on the gaming premises written materials concerning the nature and symptoms of problem gambling, the procedure for self-exclusion, including where they can obtain the Request for Self-Exclusion form, and the toll free number of the Mississippi Council on Compulsive Gambling or a similar entity approved by the Executive Director that provides information and referral services for problem gamblers.

(e) Upon discovery by a casino that a self-excluded person has breached his self-exclusion and obtained access to the premises, said casino shall take steps to immediately eject such person from the premises, and notify the Commission of the breach. Both the security and surveillance departments shall immediately determine, to the extent possible:

1. how the person was able to gain access to the premises without being detected and, where possible, how the casino plans to prevent such breaches in the future;

2. whether and how many times said person has gained such access on previous occasions; and

3. the net winnings or losses attributable to the excluded person, in which case the casino shall retain any such winnings and, after withholding appropriate taxes, donate said winnings to the Mississippi Gaming Commission. A report of the foregoing shall be

prepared and forwarded to the Commission within five (5) days after the breach is discovered.

(f) Each casino shall submit to the Commission for written approval a copy of its procedures established pursuant to these regulations within 90 days from the adoption of this regulations concerning self-exclusion. Any amendment to the casino's procedures shall be submitted to the Commission at least fourteen (14) days prior to their implementation. (Adopted:03/25/1999; Amended: 09/21/00; Amended: 09/24/03; Amended: 06/25/10.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 10.5 Removal from self-exclusion list*

(a) Except for those persons choosing a lifetime self-exclusion, removal from the self-exclusion shall be automatic upon expiration of the period of self-exclusion specified under Section 2(c)(2) above.

(b) Upon the expiration of the self-exclusion period, the Commission shall delete the name of the person from the self-exclusion list and notify each casino of such deletion from the list as set out in Section 3(a) and (b) above. (Adopted:03/25/1999; Amended: 09/21/00; Amended: 09/24/03.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 10.6 Training of Casino Employees*

Each casino shall implement procedures for training for all new employees, and annual re-training for all employees who directly interact with gaming patrons in gaming areas. That training shall, at a minimum, consist of information concerning the nature of problem gambling, the procedures for requesting self-exclusion, and assisting patrons in obtaining information about problem gambling programs. This section shall not be construed to impose a duty upon employees of casinos to identify problem gamblers nor to impose any liability for failure to do so. Each licensee shall designate personnel responsible for maintaining the training program. Training programs conducted or certified by the Mississippi Gaming Commission or the Mississippi Council on Compulsive Gambling are presumed to provide adequate training under this section. (Adopted:03/25/1999; Amended: 09/21/00; Amended: 09/24/03.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 10.7 Noncompliance*

(a) Any casino violating any requirements of these regulations on self-exclusion may be subject to disciplinary action by the Mississippi Gaming Commission.

(b) Any self-excluded person violating the terms of his or her self-exclusion agreement during the self-excluded period may be subject to (1) conviction for criminal trespass, and/or (2) placement by the Commission on the involuntary exclusion list as set out in Part V. of these regulations.

(c) The provisions of this regulation are solely regulatory in nature and neither create a minimum standard of care toward the public nor establish a private cause of action for non-compliance. (Adopted:03/25/1999; Amended: 09/21/00; Amended: 09/24/03.)

Source: *Miss. Code Ann. § 75-76-33*



*Rule 10.8 Sharing the Self-Exclusion List with other jurisdictions*

The Commission may enter into agreements with the Louisiana Gaming Commission and/or with the Choctaw Gaming Commission for the mutual sharing of self-exclusion lists, by which the Commission would forward Mississippi's self-exclusion list to the other commission and likewise receive from that commission the self-exclusion list from that jurisdiction. The Commission may then provide and update the casinos with the exclusion lists from those jurisdictions in the same manner and using the same procedures as is provided in these regulations for Mississippi's self-exclusion list. In that event, all rules and regulations concerning self-exclusion in Mississippi shall be applicable to the self-exclusion lists from those jurisdictions, just as if those persons had submitted a self-exclusion request in Mississippi; likewise, those persons who have self-excluded in Mississippi will be excluded in the other jurisdictions just as they are in Mississippi. (Adopted:03/25/1999; Amended: 09/21/00; Amended: 09/24/03.)

Source: *Miss. Code Ann. § 75-76-33*

**Part 3 Chapter 11: Security**

*Rule 11.1 Definitions*

For the purpose of this section

- (a) "AED" means automated external defibrillator.
  - (b) "CPR" means cardio-pulmonary resuscitation.
  - (c) "Gaming Premises" means any portion of a licensed gaming establishment on which gaming activities are or lawfully could be conducted in accordance with the Act or these regulations. This shall include restaurants, shops or any other operations which are located on premises which could otherwise lawfully contain gaming activities.
  - (d) "First Aid" shall mean the knowledge and skills necessary to recognize and provide basic care for injuries and sudden illnesses until advanced medical personnel arrive.
- (Adopted: 09/24/2003.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 11.2 Designated Responders*

All licensed gaming establishments shall employ and have on staff 24 hours a day personnel trained in First Aid, CPR and AED operations. Use, operation and training shall be in accordance with Miss. Code Ann. §41-60-33 (Supp.1999) and with all other applicable state laws and regulations.

(Adopted: 09/24/2003.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 11.3 Automatic External Defibrillators*

- (a) All licensed gaming establishments shall be equipped with AED units for use on the gaming premises, and shall comply with all reporting requirements of Miss. Code Ann. §41-60-33 (Supp.1999).

(b) It is the responsibility of all licensed gaming establishments to determine the appropriate number and placement of AED units and the number of qualified staff necessary.  
(Adopted: 09/24/2003.)

Source: *Miss. Code Ann. § 75-76-33*

#### *Rule 11.4 Liability*

(a) Pursuant to Miss. Code Ann. §73-25-37, any trained employee who in good faith renders emergency care or treatment by the use of AED to any person shall be immune from civil liability for any personal injury and or death as a result of that care or treatment, or as a result of any act or failure to act, in providing or arranging further medical treatment, where the employee acts as an ordinary, reasonable prudent person would have acted under the same or similar circumstances and the employee's actions or failure to act does not amount to willful or wanton misconduct or gross negligence.

(b) Any lawful gaming establishment is also immune from civil liability for any injuries or death that results due to any act or omission by any employee rendering such care as set out in section 4(a), unless the employer acts with willful or wanton misconduct or gross negligence. (Adopted: 09/24/2003.)

Source: *Miss. Code Ann. § 75-76-33*

### **Part 3 Chapter 12: MANUFACTURERS AND DISTRIBUTORS**

This section was reformatted to conform with the other sections of this book.

#### *Rule 12.1 Definitions*

As used in this regulation, unless the context otherwise requires:

(a) "Cashless wagering system" means the collective hardware, software, communications technology, and other associated equipment used to facilitate wagering with other than chips, tokens or legal tender of the United States.

(b) "Conversion" means a change in a gaming device from one pre-approved configuration to another pre-approved configuration or from one approved mode of play to another approved mode of play.

(c) "Distributor" is any person that sells, leases, markets, offers, or otherwise distributes any gaming device or cashless wagering system for use or play in this state or sells, leases, or otherwise distributes any gaming device or cashless wagering system from a location within this state.

(d) "Distributor of associated equipment" is any person that sells, leases, markets, offers, or otherwise distributes associated equipment in this state for use by licensees.

(e) "Executive Director" means the Executive Director of the Mississippi Gaming Commission or his designee.

(f) "Game outcome" is the final result of the wager.

(g) "Inter-casino linked system" means an inter-casino linked system including the collective hardware, software, communications technology and other associated equipment used to link and monitor games or devices located at two or more licensed gaming establishments. Systems that

solely record a patron's wagering activity among affiliated properties are not inter-casino linked systems.

(h) "Inter-casino linked system modification" means a change or alteration to an inter-casino linked system made by an operator who has been previously approved by the commission to operate that system. With regard to inter-casino linked systems that link progressive payout schedules, the term includes, but is not limited to:

1. A change in a system name or theme; or
2. A change in gaming device denomination.

(i) "Manufacturer" is any person that manufactures, assembles, produces, programs, or makes modifications to any gaming device or cashless wagering system for use or play in this state or for distribution outside of this state.

(j) "Manufacturer of associated equipment" is any person that manufactures, assembles, or produces any associated equipment, including inter-casino linked systems, for use by licensees.

(k) "Modification" means a change or alteration in a gaming device that affects the manner or mode of play of the device. The term includes a change to control or graphics programs and, except as provided in (4) and (5) below, in the theoretical hold percentage. The term does not include:

1. A conversion;
2. Replacement of one component with another, pre-approved component;
3. The rebuilding of a previously approved device with pre-approved components;
4. A change in the theoretical hold percentage of a mechanical or electromechanical device, provided that the device as changed meets the standards of Regulation IV.5.(b); or
5. A change in the theoretical hold percentage of an electronic device which is the result of a top award jackpot or bonus jackpot payment which is paid directly by an attendant and which is not accounted for by the device.

(l) "On-line slot metering system" means the collective hardware, software and other associated equipment used to monitor, accumulate, and record meter information from gaming devices within a licensed establishment.

(m) "Operator" means any person or entity holding a license to operate an inter-casino linked system in this state, or a person or entity holding a license to operate a gaming operation that operates an inter-casino linked system of affiliates.

(n) "Randomness" is the observed unpredictability and absence of pattern in a set of elements or events that have definite probabilities of occurrence.

(o) "Theme" means a concept, subject matter and methodology of design.

(Adopted: 09/25/1991; Amended: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

#### *Rule 12.2 License Required; Applications.*

(a) A person may act as a manufacturer, distributor, or operator only if that person holds a license specifically permitting the person to act as a manufacturer, distributor, or operator.

(b) Applications for manufacturer's, distributor's, or operator's licenses must be made, processed, and determined in the same manner as applications for gaming licenses, using such forms as the Executive Director may require or approve.

(Adopted: 09/25/1991; Amended: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 12.3 Certain Themes Prohibited in Association with Gaming Devices or Slot Machines.*

A gaming device or gaming device modification submitted for approval by a manufacturer or made available for play by a licensee must not use a theme that is otherwise contrary to the public policy of the state or would constitute an unsuitable method of operation.

(Adopted: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 12.4 Approval Of Gaming Devices; and the Operation of New Inter- Casino Linked Systems; Applications And Procedures.*

(a) A manufacturer or distributor shall not distribute a gaming device in this state and a licensee shall not offer a gaming device for play unless it has been approved by the Commission or is offered for play pursuant to a field test ordered by the Executive Director.

(b) An operator of an inter-casino linked system shall not install and operate a new inter-casino linked system in this state and a licensee shall not offer any gaming device or game for play that is part of such a system unless operation of the intercasino linked system and all gaming devices or games that are part of or connected to the inter-casino linked system have been approved by the Executive Director or are offered for play pursuant to a field test ordered by the Executive Director.

(c) Applications for approval of a new gaming device or to operate a new inter-casino linked system must be made and processed in such manner and using such forms as the Executive Director may prescribe. Only licensed manufacturers may apply for approval of a new gaming device. Only operators may apply for approval to operate a new inter-casino linked system. Each application must include, in addition to such other items or information as the Executive Director may require:

1. A complete, comprehensive, and technically accurate description and explanation in both technical and lay language of the manner in which the device or inter-casino linked system operates, signed under penalty of perjury;
2. A statement under penalty of perjury in such form as required by the Executive Director, that to the best of the manufacturer's knowledge, the gaming device meets the standards of Regulations IV and VIII, or, in the case of an inter-casino linked system, that to the best of the operator's knowledge, the system meets the standards of Regulations IV and VIII;
3. In the case of a gaming device, a copy of all executable software, including data and graphic information, and a copy of all source code for programs that cannot be reasonably demonstrated to have any use other than in a gaming device, submitted on electronically readable, unalterable media;
4. In the case of a gaming device, a copy of all graphical images displayed on the gaming device including, but not limited to, reel strips, rules, instructions and paytables; and
5. In the case of an inter-casino linked system:
  - i. An operator's manual;
  - ii. An internal control system;
  - iii. A hold harmless agreement;

- iv. A graphical representation in such form as required by the Executive Director of the system theme and all related signage; and
- v. Information sufficient to calculate a theoretical payoff schedule amount including, but not limited to, the base and reset amounts, the total contribution percentage and a breakdown of that percentage including contribution rates to all progressive payoff schedules and all reset funds, the odds of winning the progressive payoff schedule and the amount of the wager required to win the progressive payoff schedule.

(Adopted: 09/25/1991; Amended: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 12.5 Minimum Standards For Gaming Devices.*

All gaming devices submitted for approval:

(a) Must be electronic in design and operation and must be controlled by a microprocessor or the equivalent. Microcontrollers are allowed.

(b) Must theoretically pay out a mathematically demonstrable percentage of all amounts wagered, which must not be less than eighty percent (80%) or greater than one hundred percent (100%) for each wager available for play on the device.

Gaming devices that may be affected by player skill must meet this standard when using a method of play that will provide the greatest return to the player over a period of continuous play.

(c) Must use a random selection process to determine the game outcome of each play of a game. The random selection process must meet 95 percent confidence limits using a standard chi-squared test for goodness of fit.

1. Each possible permutation or combination of game elements which produce winning or losing game outcomes must be available for random selection at the initiation of each play.

2. For gaming devices that are representative of live gambling games, the mathematical probability of a symbol or other element appearing in a game outcome must be equal to the mathematical probability of that symbol or element occurring in the live gambling game. "Equal to" shall mean within the thousandths of a percent – i.e., .001% to .009%. For other gaming devices, the mathematical probability of a symbol appearing in a position in any game outcome must be constant.

3. The selection process must not produce detectable patterns of game elements or detectable dependency upon any previous game outcome, the amount wagered, or upon the style or method of play.

(d) Must display an accurate representation of the game outcome. After selection of the game outcome, the gaming device must not make a variable secondary decision which affects the result shown to the player.

(e) Must display the rules of play and payoff schedule.

(f) Must not automatically alter pay-tables or any function of the device based on internal computation of the hold percentage.

(g) Must be compatible to on-line data monitoring.

(h) Must contain an irremovable identification plate containing the following information, appearing on the exterior of the device:

1. Manufacturer;
2. Serial Number; and
3. Model Number.

(i) Must have equipment that enables the device to communicate with a central computer system accessible to the Commission, using an industry standard protocol data format approved by the Executive Director.

(j) Must be capable of continuing the current game with all current game features after a malfunction is cleared. This rule does not apply if a device is rendered totally inoperable. The current wager and all credits appearing on the screen prior to the malfunction shall be returned to the patron.

(k) Must have attached a locked compartment separate from any other compartment of the device for housing a drop bucket.

(l) Must have a mechanical, electrical, or electronic device that automatically precludes a player from operating the device after a jackpot requiring a manual payout and requires an attendant to reactivate the device.

(m) Must meet the Technical Standards adopted pursuant to Regulation VIII.

(Adopted: 09/25/1991; Amended: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 12.6 Minimum Standards for Inter-Casino Linked Systems.*

All inter-casino linked systems submitted for approval:

(a) Shall have a method to secure data transmissions between the games and devices and the main computer of the operator, as approved by the Executive Director;

(b) Gaming devices connected to a common payoff schedule shall:

1. All be of the same denomination; or

2. If of different denominations, equalize the expected value of winning the payoff schedule on the various denominations by setting the odds of winning the payoff schedule in proportion to the amount wagered or by requiring the same wager to win the payoff schedule regardless of the device's denomination. The method of equalizing the expected value of winning the payoff schedule shall be conspicuously displayed on each device connected to the inter-casino linked system;

(c) Shall display the rules of play and the payoff schedule;

(d) Shall meet the applicable minimum standards for internal control that have been adopted pursuant to Regulation VII; and

(e) Shall meet the Technical Standards adopted pursuant to Regulation VIII. Any percentage changes to the rate of progression of the primary meter shall be submitted for approval of the Executive Director.

(Adopted: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 12.7 Computer Monitoring Requirements Of Gaming Devices.*

A licensee must have a computer connected to all gaming devices to record and monitor the activities of such devices. No gaming devices shall be operated unless it is on-line and communicating to a computer monitoring system approved by the Executive Director. Such

computer monitoring system shall provide on-line, real-time monitoring and data acquisition capability in the format and media approved by the Executive Director.  
(Adopted: 09/25/1991; Amended: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 12.8 Employment Of Individual To Respond To Inquiries From The Commission.*

Each manufacturer shall employ or retain an individual who understands the design and function of each of its gaming devices, cashless wagering systems, or inter-casino linked systems who shall respond within the time specified by the Executive Director to any inquiries related thereto. Each manufacturer or operator shall on or before December 31st of each year report in writing the name of the individual designated pursuant to this section and shall report in writing any change in the designation within fifteen (15) calendar days of the change.  
(Adopted: 09/25/1991; Amended: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 12.9 Evaluation Of New Gaming Devices.*

The Executive Director or his designee may require transportation of not more than two working models of a new gaming device to a designated electronics laboratory for review and inspection. The Executive Director may employ the services of an outside electronics laboratory to evaluate the device. The manufacturer seeking approval of the device must pay the cost of the inspection and investigation. The lab may dismantle the models and may destroy electronic components in order to fully evaluate the device. The Executive Director may require that the manufacturer provide specialized equipment or the services of an independent technical expert to evaluate the device.  
(Adopted: 09/25/1991; Amended: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 12.10 Evaluation of Inter-Casino Linked Systems.* The Executive Director or his designee may require transportation of not more than one working model of an inter-casino linked system to the commission's offices or some other location for review and inspection. The Executive Director may employ the services of an outside electronics laboratory to evaluate the system. The associated equipment manufacturer seeking approval of the system shall pay the cost of the inspection and investigation. The Commission may dismantle the model and may destroy electronic components in order to fully evaluate the inter-casino linked system. The Executive Director may require that the operator of an inter-casino linked system provide specialized equipment or the services of an independent technical expert to evaluate the inter-casino linked system. (Adopted: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 12.11 Field Test of New Gaming Devices and New Inter-Casino Linked Systems.*

(a) The Executive Director shall make a preliminary, nonbinding determination whether a new gaming device or a new system meets the governing standards. If the Executive Director makes

a preliminary determination that a new gaming device or a new inter-casino linked system has met the governing standards, he may allow or require that one or more models of the gaming device or the intercasino linked system be tested at a licensed gaming establishment(s) for not less than 60 nor more than 180 calendar days under terms and conditions that he may approve or require.

(b) A manufacturer shall not modify a gaming device and an operator shall not modify a new inter-casino linked system during the test period without the prior written approval of the Executive Director.

(c) The Executive Director may order termination of the test period, if he determines, in his sole and absolute discretion, that the manufacturer, operator, or licensed gaming establishment has not complied with the terms and conditions of the order allowing or requiring a test period or if the new gaming device or new intercasino linked system fails to meet the governing standards.

1. If the test period is terminated due to the licensed gaming establishment's failure to comply with the terms and conditions of the order allowing or requiring a test period, the Executive Director may order that the test be conducted at another licensed gaming establishment.

2. A manufacturer or operator may object to the termination of the test period by filing a written objection with the Commission. The filing of an objection shall not stay the order terminating the test. If the Commission fails to order resumption of the test within 60 calendar days of the written objection, the objection will be deemed denied. If the Commission sustains the objection, the testing may be resumed under terms that may be approved or required by the Commission.

(d) A licensee or manufacturer, or their agent, shall not play a new gaming device during a test period. A licensee or operator, or their agent, shall not play a gaming device or game connected to a new inter-casino linked system during a test period.

(e) If the Executive Director has made a determination that a new gaming device or new inter-casino linked system is not eligible for testing at a licensed gaming establishment because the new device or new system does not meet the governing standards, he shall notify the manufacturer or operator in writing. Not later than 10 calendar days after receipt of such notification, the manufacturer or operator may object to such a determination by filing written objection with the Commission. If the Commission fails to order a test period within 60 calendar days of the written objection, the objection will be deemed denied. If the Commission sustains the objection, the new gaming device or new inter-casino linked system may be tested at a licensed gaming establishment under terms and conditions that may be approved or required by the Commission.

(Adopted: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 12.12 Certification By Manufacturer.*

(a) After completing its evaluation of a new gaming device, cashless wagering system or inter-casino linked system, the lab shall send a report of its evaluation to the Executive Director and the manufacturer seeking approval of the device. The report must include an explanation of the manner in which the device or system operates. A separate recommendation as to whether the device should be approved shall also be provided to the Executive Director only. The



manufacturer shall return the report to the Executive Director within fifteen (15) calendar days and shall either:

1. Certify under penalty of perjury that to the best of its knowledge the explanation is correct; or
2. Make appropriate corrections, clarifications, or additions to the report and certify under penalty of perjury that to the best of its knowledge the explanation of the gaming device is correct as amended.

(b) The Executive Director may order additional evaluation and a field test of the new gaming device or system of up to 60 calendar days in addition to the test period provided for in Section 11 if he determines that such additional evaluation is necessary. (Adopted: 09/25/1991; Amended: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 12.13 Approval Of New Gaming Devices.*

After completing his evaluation of the new gaming device, the Executive Director shall recommend to the Commission whether the application for approval of the new gaming device should be granted. In considering whether a new gaming device will be given final approval, the Commission shall consider whether approval of the new gaming device is consistent with the public policy of the state. Commission approval of a gaming device does not constitute certification of the device's safety.

(Adopted: 09/25/1991; Amended: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 12.14 Duplication Of Program Storage Media.*

A licensee other than a manufacturer shall not duplicate the contents of gaming device program storage media unless its duplication process, including internal controls related thereto, has received written approval of the Executive Director.

(Adopted: 09/25/1991; Amended: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 12.15 Marking, Registration, And Distribution Of Gaming Devices.*

(a) Except as otherwise provided in subsection (2), a manufacturer or distributor shall not distribute a gaming device in this state or from a location within this state out of state unless the gaming device has:

1. A permanent serial number which must be the same number as given the device pursuant to the provisions of the Gaming Device Act of 1962, 15 U.S.C. 1173, permanently stamped or engraved in lettering no smaller than five (5) millimeters on the metal frame or other permanent component of the device and on a removable metal plate attached to the cabinet of the device; and
2. For devices distributed in this state, the Commission approval number or, if the device has been modified since initial approval of the device, the modification approval number affixed on all program storage media placed in the device.

(b) Each manufacturer or distributor shall keep a written list of the date of each distribution, the serial numbers of the devices, the Commission approval number, or, if the device has been modified since initial approval of the device, the modification approval number, and the name, state of residence, addresses and telephone numbers of the person to whom the gaming devices have been distributed and shall provide such list to the Executive Director immediately upon his request.

(Adopted: 09/25/1991; Amended: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 12.16 Approval To Distribute Gaming Device out of Mississippi; Applications and Procedures.*

(a) Manufacturers and distributors shall not distribute gaming devices out of this state without the prior, written approval of the Executive Director or his designee. Applications for approval to distribute gaming devices out of this state must be made, processed, and determined in such manner and using such forms as the Executive Director may prescribe. Each application must include, in addition to such other items or information as the Executive Director may require:

1. The full name, state of residence, address, telephone number, social security number, and driver's license number of both the purchaser and the person to whom the shipment is being made, if neither is currently licensed by the commission. If the purchaser or person to whom the shipment is being made does not have a social security number or driver's license number, the birth date of the purchaser or person to whom the shipment is being made may be substituted;
2. The name and permanent address of the purchaser or person to whom the shipment is being made if either is currently licensed by the Commission;
3. The destination, including the port of exit if the destination is outside the continental United States;
4. The number of devices to be shipped;
5. The serial number of each device;
6. The model number of each device and year each device was manufactured, if known;
7. The denomination of each device;
8. The expected date and time of shipment;
9. The method of shipment and name and address of carrier;
10. A statement by the purchaser under penalty of perjury that each device will be used only for lawful purposes, unless the purchaser is currently licensed by the commission or the destination is outside the United States.

(b) Manufacturers and distributors shall not ship gaming devices to a destination where possession of a gaming device is unlawful.

(c) Manufacturers and distributors shall, on or before December 31st of each year, give the Commission a copy of their registration with the United States Attorney General pursuant to the provisions of the Gaming Devices Act of 1962, 15 U.S.C. 1173, for the ensuing year.

(d) An agent of the Commission may inspect all gaming devices prior to distribution out of this state. Manufacturers and distributors shall make the gaming devices available for such inspection.

(e) If the Executive Director does not deny the application for approval to distribute gaming devices out of this state within 10 working days of receipt of a complete application, the application will be deemed to be approved.

(f) A manufacturer or distributor shall keep a record of all shipments made out of state of parts specifically designed for use in a gaming device. The record must include the information set forth in subsection (a), if applicable. A manufacturer or distributor shall not ship parts specifically designed for use in a gaming device to a destination where possession of a gaming device is unlawful.

(Adopted: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 12.17 Approval To Sell Or Dispose Of Gaming Devices.*

A licensee, other than a manufacturer and distributor, shall not dispose of gaming devices without the prior written approval of the Executive Director, unless the devices are sold or delivered to its affiliated companies or a licensed manufacturer or distributor, in which case approval is deemed granted. A licensee shall not request approval to sell or deliver gaming devices to a person other than its affiliated companies or a licensed manufacturer or distributor unless the devices have been marked pursuant to Section 15 of this regulation. Applications for approval to sell or dispose of gaming devices must be made, processed, and determined in such manner and using such forms as the Executive Director may prescribe. Each application must include the information required by Section 16 of this regulation in addition to such other items or information as the Executive Director may require.

(Adopted: 09/25/1991; Amended: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 12.18 Maintenance Of Gaming Devices.*

A licensee shall not alter the operation of approved gaming devices and shall maintain the gaming devices in a suitable condition. Each licensee shall keep a written list of repairs made to gaming devices offered for play to the public that require a replacement of parts that affect the game outcome and shall make the list available for inspection by the Executive Director upon his request.

(Adopted: 09/25/1991; Amended: 09/15/04.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 12.19 Analysis Of Questioned Electronic Gaming Devices.*

(a) If the operation of any electronic gaming device is questioned by any licensee, patron or the Executive Director, the questioned device will be examined in the presence of the Executive Director and a representative of the licensee. If the malfunction cannot be cleared by other means to the satisfaction of the Executive Director, the patron and the licensee, the electronic gaming device will be subjected to an EPROM memory test to verify "signature" comparison by the Executive Director.

(b) In the event that the malfunction cannot be determined and corrected by this testing, the electronic gaming device may be removed from service and secured in a remote, locked

compartment. The electronic gaming device may then be transported to an industry-recognized laboratory selected by the Executive Director where the device will be fully analyzed to determine the status and cause of the malfunction. All costs for transportation and analysis must be borne by the licensee.

(Adopted: 09/25/1991; Amended: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 12.20 Summary Suspension Of Approval Of Gaming Devices.*

(a) The Executive Director may call a special Commission meeting so that the Commission may issue a summary order, with or without notice to the manufacturer, distributor, operator or licensee, suspending approval of a gaming device or system if it determines that the device or system does not operate:

1. In the manner certified by the manufacturer;
2. As approved by the Executive Director; or
3. Is experiencing malfunctions.

(b) After issuing an order pursuant to subsection (a), the Executive Director may seal or seize all models of that gaming device.

(Adopted: 09/25/1991; Amended: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 12.21 Approval Of Associated Equipment; Applications And Procedures.*

(a) A manufacturer or distributor of associated equipment shall not distribute associated equipment unless it has been approved by the Executive Director. Applications for approval of associated equipment shall be made and processed in such manner and using such forms as the Executive Director may prescribe. Each application must include, in addition to such other items or information as the

Executive Director may require:

1. The name, permanent address, social security number, and driver's license number of the manufacturer or distributor of associated equipment unless the manufacturer or distributor is currently licensed by the commission. If the manufacturer or distributor of associated equipment is a corporation, the names, permanent addresses, social security numbers, and driver's license numbers of the directors and officers must be included. If the manufacturer or distributor of associated equipment is a partnership, the names, permanent addresses, social security numbers, driver's license numbers, and partnership interest of the partners must be included. If social security numbers or driver's license numbers are not available, the manufacturer's or distributor's birth date may be substituted;
2. A complete, comprehensive and technically accurate description and explanation in both technical and lay language of the associated equipment or a modification to previously approved associated equipment and its intended usage, signed under penalty of perjury;
3. Detailed operating procedures for the associated equipment; and

4. Details and results of all tests performed and the standards under which such tests were performed, together with a confirmation that the associated equipment is functioning as represented, signed under penalty of perjury.

(b) Any associated equipment that, when installed, will allow a patron to use a debit or credit instrument for the purpose of making electronic funds transfer from an independent financial institution or other entity to a gaming device through a cashless wagering system is expressly prohibited. Any such capability shall be fully and completely disabled. No approval of any kind constitutes a waiver of this provision.

(Adopted: 09/25/1991; Amended: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 12.22 Evaluation Of Associated Equipment.*

The Executive Director may require transportation of not more than 2 working models of associated equipment to a designated lab for review and inspection. The lab may dismantle the associated equipment and may destroy electronic components in order to fully evaluate the equipment. The Executive Director may require the manufacturer or distributor seeking approval to provide specialized equipment or the services of an independent technical expert to evaluate the equipment, and may employ an outside laboratory to conduct the evaluation. The manufacturer seeking approval of the associated equipment must pay the cost of the evaluation.

(Adopted: 09/25/1991; Amended: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 12.23 Installation Of Associated Equipment.*

A licensee shall not install or use associated equipment that has not been approved by the Executive Director.

(Adopted: 09/25/1991; Amended: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 12.24 Maintenance Of Associated Equipment.*

A licensee shall not alter the manner in which associated equipment operates without prior written approval of the Executive Director.

(Adopted: 09/25/1991; Amended: 09/15/04.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 12.25 Retention Of Records.*

All records required by this regulation must be maintained for 5 years.

(Adopted: 09/25/1991; Amended: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 12.26 Storage of Gaming Equipment*

(a) All licensees shall store gaming equipment only in locations approved by the Commission.

1. The Commission shall be notified of the location of any proposed storage facility prior to utilization of the facility.
2. The Commission shall conduct an inspection of the location prior to utilization of the facility and periodically for security compliance.
3. All associated equipment that requires licensure may only be stored in counties where gaming is legal.

(b) Minimum standards for storage facilities:

1. The storage facility must have security panels or bars over any windows;
2. Gaming equipment must not be visible from the exterior of the building;
3. The gaming storage area must be monitored either by security personnel or a professional alarm system;
4. Slot machines shall be housed separately from other gaming equipment within the storage facility;
5. CPU boards and/or other sensitive gaming devices or supplies shall be maintained in a separate secured key controlled area with limited access.

(c) The licensee must provide the following information to the Commission:

1. A list of key holders who have access to the storage area;
2. An access list of personnel who are permitted in the building, and in the gaming storage area prior to the storing of gaming equipment. Only necessary personnel should have access to this area.
3. A list of key control procedures should be established and provided for approval prior to storing equipment.
4. An inventory of all slot machines shall be maintained at the storage facility that includes manufacturer, serial number, and date of storage. On a form provided by the Commission, information on movement of the machines should be included in the inventory log.
5. Immediate notification of vandalism or theft of gaming equipment.

(Adopted: 09/15/2004.)

Source: *Miss. Code Ann.* § 75-76-33

## **Title 13: Gaming**

### **Part 4: EXCLUSION OF PERSONS**

#### **Part 4 Chapter 1: IN GENERAL**

##### *Rule 1.1 Duty To Exclude.*

No excluded person shall be permitted entry into any portion of a licensed gaming establishment. When a person is placed on the exclusion list by the Executive Director, such person shall be prohibited from contact of any kind with any licensed establishment unless and until a determination is made by the Commission or a court to the contrary. It shall be the duty of the licensee and of his employees to exclude or eject from a licensed establishment any excluded person when such licensee or employee knows or reasonably should know of the presence of such excluded person. It shall further be the duty of the licensee to inform the Executive Director in writing of the names of persons such licensee reasonably believes meet the criteria for placement on an Exclusion List.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-33*

##### *Rule 1.2 Distribution And Availability Of Exclusion Lists.*

The Commission shall maintain a list of persons to be ejected or excluded from licensed establishments. The list shall be distributed to each licensed establishment which shall acknowledge receipt of the list in writing. The list shall also be distributed to law enforcement agencies. The following information, to the extent known, shall be provided for each excluded person:

- (a) The full name and date of birth and all aliases;
- (b) A physical description;
- (c) The effective date the person's name was placed on the list;
- (d) A photograph, if available;
- (e) The person's occupation and his current home and business address; and
- (f) Such other information as deemed necessary by the Executive Director.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-33*

##### *Rule 1.3 Criteria For Exclusion Or Ejection And Placement On An Exclusion List.*

The Executive Director may place a person on the exclusion list pending a hearing if such person has:

- (a) Been convicted of a felony in any jurisdiction, of any crime of moral turpitude or of a crime involving Gaming;
- (b) Violated or conspired to violate the provisions of the Act relating to involvement in gaming without required licenses, or willful evasion of fees or taxes;
- (c) A notorious or unsavory reputation which would adversely affect public confidence and trust in gaming; or

(d) His name on any valid and current exclusion list from another jurisdiction in the United States.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 1.4 Procedure For Entry Of Names.*

(a) Upon a determination that a person comes under any one of the criteria listed in Section 3, such person shall be deemed a candidate for exclusion and a petition for exclusion may be filed by the Executive Director. Such petition shall include the identity of the candidate and the nature and scope of the circumstances or reasons that such person should be placed on the exclusion list. The petition shall also notify such person of the availability of a hearing by the Commission pursuant to Section 20 of the Act. Notice of the petition must be given pursuant to Section 19 of the Act.

(b) If the Commission or a subsequent judicial review finds in favor of the candidate or excluded person, then his name shall be removed from the exclusion list and his exclusion shall be terminated as of the date of the action by the Commission or the court. If the finding is against the candidate or excluded person, his name shall be placed on the exclusion list. If no hearing is requested, the person's name shall be placed on the exclusion list.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 1.5 Petition For Removal From Exclusion List.*

Any person who has been placed on any exclusion list may petition the Commission in writing and request that his name be removed from the list.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-33*

**Part 4 Chapter 2: INVESTIGATIONS**

*Rule 2.1 Investigation Of Gaming Establishments, Generally.*

A license, registration, finding of suitability, or other affirmative approval granted by the Commission to any person authorizing that person to have any involvement in the gaming industry is a revocable privilege, and no holder thereof shall be deemed to have acquired any vested rights therein or thereunder. The Commission and the Executive Director shall observe the conduct of all such persons to the end that unqualified or unsuitable persons or persons whose operations are conducted in an unsuitable manner shall not be involved in the gaming industry in the State of Mississippi.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-33*

*Rule 2.2 Access To Premises And Production Of Records.*



(a) No applicant or any person licensed, registered, found suitable or approved by the Commission shall neglect or refuse to produce records or evidence or to give information upon proper and lawful demand by any Commission member, the Executive Director or any agent of the Commission or the Executive Director, or shall otherwise interfere or attempt to interfere with any proper and lawful efforts

by the Commission, the Executive Director or any agent to obtain such information.

(b) Each gaming licensee, licensed manufacturer, and licensed distributor or seller shall immediately make available for inspection by any Commission member, the Executive Director, or any agent, all papers, books and records produced by any gaming business and all portions of the premises upon which gaming is conducted or where gambling devices or equipment are manufactured, sold or distributed.

(c) The Executive Director or Commission may require any person licensed, found suitable, registered, or approved by the Commission to appear and testify before them or their agents with regard to any matter within their jurisdiction. Such testimony shall be under oath and may embrace any matters which the Executive Director, the Commission or their agents deem relevant to the discharge of their official duties. Any person required to appear and testify shall have the right to be represented by counsel. Any testimony so taken may be used by the Executive Director as evidence in any proceeding or matter then before him or the Commission or which may later come before him or the Commission. Failure to appear and testify fully at the time and place designated, unless excused, shall constitute grounds for revocation or suspension of any license, finding of suitability, registration or approval held by the person summoned, his principal, or employer.

(Adopted: 9/25/1991.)

Source: *Miss. Code Ann. § 75-76-33*

#### *Rule 2.3 Orders To Show Cause.*

The Executive Director may issue an Order to Show Cause why a license, finding of suitability, registration or approval granted by the Commission should not be limited, conditioned, suspended or revoked or why the person licensed, found suitable, registered, or approved should not be fined by the Commission. The Order to Show Cause must set forth the basic facts alleged to constitute a violation of the Gaming Control Act or these regulations and notify the person licensed, found suitable, registered or approved of his right to respond to the allegations in writing within twenty (20) days of the receipt of the Order to Show Cause. The time for response may be extended by the Executive Director upon written request. The response shall be confidential but may be provided to the Commission or any hearing examiner appointed by the Commission in subsequent disciplinary proceedings.

(Adopted: 09/25/1991; Amended: 06/28/1993; Amended: 10/22/1998.)

Source: *Miss. Code Ann. § 75-76-33*

### **Part 4 Chapter 3: DISCIPLINARY PROCEEDINGS**

#### *Rule 3.1 Complaint.*

If the Executive Director believes that any person licensed, found suitable, registered or approved by the Commission should have his license, finding of suitability, registration or

approval limited, conditioned, suspended or revoked, or should be fined by the Commission, he shall file a complaint with the Commission setting forth the facts constituting reasonable cause for the disciplinary action sought.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-103*

*Rule 3.2 Service Of Complaint.* The Executive Director shall cause the complaint to be served upon the respondent by registered or certified mail, or personally. Proof of service may be provided by a certificate or affidavit of service, which shall be signed by the person effecting service and which shall specify the date and manner of service. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-107*

*Rule 3.3 Appointment And Authority Of Hearing Examiner.*

(a) Upon receipt of the complaint, the Commission shall appoint a hearing examiner pursuant to Miss. Code Ann. §75-76-103(3).

(b) The hearing examiner shall review the complaint and all matters submitted in support thereof and the respondent's answer, if any, and shall schedule a hearing as soon after receipt of the respondent's answer as practicable.

(c) The hearing examiner may issue rulings on discovery issues, scheduling matters, protective orders, admissibility of evidence, and other procedural or pre-hearing matters. The hearing examiner's rulings are appealable to the Commission only in accordance with the principles of finality applicable in the courts of the State of Mississippi.

(d) The hearing examiner may alter any of the time periods provided by these regulations, upon his own initiative or upon a motion by a party or other person affected for good cause shown.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. §§ 75-76-103, 75-76-27*

*Rule 3.4 Ex Parte Communications.*

(a) Unless required for the disposition of ex parte matters authorized by law:

1. A party or his representative shall not communicate directly or indirectly in connection with any issue of fact or law related to a proceeding under this regulation, with the hearing examiner or any member of the Commission, except upon notice and opportunity to all parties to participate; and

2. The hearing examiner or a member of the Commission shall not communicate, directly or indirectly, in connection with any issue of fact or law related to a proceeding under this regulation, with any party or his representative, except upon notice and opportunity to all parties to participate;

(b) This section shall not preclude:

1. The hearing examiner or any member of the Commission from consulting with Commission counsel or supervisory counsel concerning any matter before the Commission; or

2. A party or his representative from conferring with the hearing examiner, the Chairman, or Commission counsel concerning procedural matters that do not involve issues of fact or law related to the proceeding.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. §§ 75-76-27, 75-76-107*

*Rule 3.5 Appearance Through Counsel.*

(a) Parties to proceedings governed by this regulation may appear personally or through an attorney, except that a party must personally attend any hearing on the merits unless his attendance has been waived, in writing, by the hearing examiner or the Chairman.

(b) When a party has appeared through an attorney, service of all notices, motions, orders, decisions and other papers shall thereafter be made upon the attorney, unless the party requests otherwise in writing.

(c) When a party is represented by an attorney, the attorney shall sign all motions, oppositions, notices, requests, and other papers on behalf of the party, including a request for subpoenas.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-111*

*Rule 3.6 Pre-hearing Conferences; Scheduling.*

(a) After the respondent files an answer to the complaint, the hearing examiner may direct the parties to participate in a conference or conferences before the hearing on the merits, for such purposes as expediting the disposition of the action, resolving discovery issues, and facilitating the settlement of the case.

(b) The participants at any pre-hearing conference under this section shall be prepared to consider and take action with respect to any or all of the following, as determined by the hearing examiner:

1. The formulation and simplification of the issues;
2. The necessity or desirability of amendments to the complaint or answer;
3. The possibility of obtaining admissions of fact and of documents which will avoid unnecessary proof, stipulations regarding the authenticity of documents, and advance rulings from the hearing examiner on the admissibility of evidence;
4. The avoidance of unnecessary proof and of cumulative evidence;
5. The identification of witnesses and documents, the need and schedule for filing and exchanging pre-hearing briefs, and the date or dates for further conferences and for the hearing on the merits;
6. The possibility of settlement;
7. The disposition of pending motions;
8. The possibility that all evidence can be submitted by affidavits, transcripts, and other documents; and
9. Such other matters as may aid in the disposition of the action.

(c) After any conference held pursuant to this regulation, the parties shall set forth in a written stipulation, to be filed with the hearing examiner, any matters no longer in dispute. As to those matters for which no agreement has been reached, but which require a ruling from the hearing examiner, the hearing examiner shall enter an order reciting the ruling.

(d) At any time considered appropriate by the hearing examiner, or at the request of a party, the hearing examiner may enter a scheduling order that sets the date for the hearing on the merits and other hearings deemed necessary or appropriate by the hearing examiner and that limits the time within which the parties may:

1. Amend the complaint or answer without leave of the hearing examiner;
2. File pre-hearing motions;
3. Complete discovery;
4. File pre-hearing briefs.

(e) This section shall not be interpreted to give any party or other person a right to a pre-hearing conference with the hearing examiner. The hearing examiner may direct the parties to participate in a pre-hearing conference without the hearing examiner's presence. The hearing examiner may at any time enter an order on any matter delegated to him, without consulting the parties and without granting oral argument.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-125*

*Rule 3.7 Discovery.*

(a) Within 20 calendar days after the service of the answer by the first answering respondent, and thereafter as each respondent answers the complaint, the parties shall confer for the purpose of complying with Subsection (b) of this Section.

(b) At each conference the parties shall:

1. Exchange copies of all documents then reasonably available to a party which are then intended to be offered as evidence in support of the party's case in chief;
2. Identify, describe, or produce all tangible things, other than documents, then reasonably available to a party which are then intended to be offered as evidence in support of the party's case in chief, and upon request, arrange for the opposing parties to inspect, copy, test, or sample the same under the supervision of the parties; and
3. Exchange written lists of persons each party then intends to call as a material witness in support of that party's case in chief. Each witness shall be identified by name, if known, position, business address, and a brief description of the purpose for which the witness will be called. If no business address is available, the party shall provide a home address for the witness, or shall make the witness available for service of process. For the purpose of this paragraph, a "material witness" is a person whose testimony relates to a genuine issue in dispute which might affect the outcome of the proceeding.

(c) In addition to the documents required to be produced by the Executive Director pursuant to subsection (b) of this Section, the Executive Director shall provide to a respondent who requests the same, a copy of any formal statement given to the Executive Director or his agents by that respondent during the Executive Director's investigation of the matters contained in the complaint, in accordance with this subsection.

1. Where the respondent is a corporation, partnership, or other association, the Executive Director shall provide to the requesting respondent, a copy of any formal statement made by officers or directors of the corporation, general partners of the partnership, or managing agents of the association, unless any such statement was given in confidence.
2. If any statement governed by this subsection is embodied or included in a report, summary, or other document which is not otherwise required to be produced by this

Regulation, the Executive Director may produce only an excerpt of such report, summary, or document which contains the statement.

3. For the purpose of this subsection, a "formal statement" is a statement given to the Executive Director or his agent by a person knowing he is speaking to a government official or agent, and which is either signed by the person giving the statement, or given under oath or affirmation such as in an investigative hearing. The term does not include discussion, conversations, or other statements obtained surreptitiously; or memoranda, notes, or other internal documents made by the Executive Director, an attorney for the Executive Director, or an agent of the Executive Director.

(d) In addition to the other materials required to be produced by the Executive Director, the Executive Director shall make arrangements with a respondent who requests the same for the respondent to inspect, copy, test, or sample any other documents or tangible things the Executive Director seized from or which belong to that respondent. Such inspection, copying, testing, or sampling shall be conducted under the supervision of a representative of the Executive Director.

(e) The inspection, copying, sampling, or testing of any evidence or other matter pursuant to subsections (b) and (d) of this Section, shall be accomplished without the alteration or destruction of the evidence or evidentiary value of the matter, either in whole or in part, except as otherwise ordered by the hearing examiner upon a finding that extraordinary circumstances exist. Such destruction or alteration shall not be permitted if it would prejudice any party to the action or any other law enforcement or administrative agency.

(f) It shall be a continuing obligation of the parties to produce documents, witness lists, and other matters governed by this Section as such become identified by and available to the parties. A party may amend its responses to the requirements of this section by informing the adverse party that documents previously produced or witnesses previously listed, will not be introduced in that party's case in chief.

(g) The hearing examiner may order the parties to submit periodic reports regarding the parties' compliance with this Section.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-125*

#### *Rule 3.8 Confidential And Privileged Materials.*

(a) The Executive Director shall not produce documents in his possession if prohibited by state or federal law. If the Executive Director intends to introduce any such document in his case in chief, the Executive Director shall inform the hearing examiner and the hearing examiner shall make appropriate orders regarding dissemination of such documents. The hearing examiner may prohibit the admission of the evidence, or make such orders as he deems necessary to limit dissemination of the document.

(b) A respondent shall not further disseminate confidential or privileged materials except to counsel of record in the action and necessary staff employed by counsel. Upon the conclusion of the action, the respondent shall return all such materials and copies to the Executive Director.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-133*

#### *Rule 3.9 Depositions.*

- (a) A party wishing to take the deposition of a material witness residing within or without the State of Mississippi who will be unavailable to testify at the hearing pursuant to Miss. Code Ann. §75-76-109 (2), shall file a motion with the hearing examiner setting forth the witness' name, position, business or home address, a sufficient description of the purpose for which the witness will be called to enable the hearing examiner to determine the materiality of the witness, and the reason the witness will be unavailable to testify at the hearing.
- (b) Any other party may file a written opposition to the motion within five (5) days after receipt of the motion.
- (c) If the hearing examiner finds that the witness is a material witness and that he will be unavailable to testify at the time of the hearing, the hearing examiner shall order the deposition to be taken upon such terms and conditions as he deems appropriate.
- (d) A deposition of a non-party witness may be compelled by subpoena.
- (e) Depositions shall be taken before an officer authorized to administer oaths. A deposition shall not be taken before a person who is a relative, employee, attorney or counsel of any of the parties, or is a relative or employee of such attorney or counsel, or is interested in the proceeding.
- (f) Testimony shall be taken upon oath or solemn affirmation. Unless the hearing examiner orders otherwise, the testimony shall be reported by stenographic means. The cost of transcription shall be borne by the party requesting the deposition. Such party shall provide a copy of the transcript to all parties interested in the proceeding.
- (g) Unless the parties and the witness agree otherwise, a deposition shall not take place on less than fifteen (15) calendar days' notice.
- (h) A deposition may be used in a proceeding governed by this regulation for the same or similar purposes as depositions may be used in a court of law, or for any other purpose allowed by the hearing examiner.
- (i) Objection may be made at the hearing on the merits to receiving into evidence any deposition or a part thereof for any reason which would require the exclusion of the evidence if the witness were then present and testifying. If a deposition is received in evidence, any party may rebut any relevant evidence contained in the deposition.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-109*

### *Rule 3.10 Subpoenas.*

- (a) The hearing examiner shall issue subpoenas, including subpoenas duces tecum, upon the request of a party, in accordance with this Section.
- (b) Subpoenas may be issued only for the following purposes:
  - 1. To compel a non-party witness to appear and give oral testimony at a deposition as provided by Section 9 of this regulation; or
  - 2. To compel any person to appear at the hearing on the merits of the case, to give testimony, or to produce documents or other tangible things.
- (c) Subpoenas shall be submitted to the hearing examiner for issuance on a form approved by the Commission. Concurrently with the submission of the subpoena to the hearing examiner, the requesting party shall serve a copy on all of the parties to the proceeding and shall file proof of such service with the hearing examiner.
- (d) Subpoenas will not be issued in blank. A subpoena submitted for issuance must contain the title and number of the case, the name of the person to whom it will be directed, the date, time

and place of hearing or deposition, and the name and signature of the requesting party or his attorney. A subpoena duces tecum must, in addition, contain a complete description of specific documents or other tangible things that the witness will be required to produce at the hearing.

(e) Unless the witness agrees otherwise, a subpoena issued for the purposes provided by subsection (b)(2) must be served by the requesting party at least ten (10) calendar days prior to the hearing. A subpoena will be issued during the hearing or on less than ten (10) days notice only upon order of the hearing examiner for reasonable cause shown by the requesting party.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-109*

#### *Rule 3.11 Protective Orders.*

Upon motion by a party or by a person to whom a subpoena is directed, or from whom discovery or testimony is sought, the hearing examiner may make any order which justice requires to protect a party or person from annoyance, embarrassment, oppression, or undue burden or expense, including one or more of the following:

(a) That a subpoena be quashed or modified;

(b) That the discovery not be had, or that it be had only on specified terms and conditions, including a designation of the time or place;

(c) That certain matters not be inquired into or produced, or that testimony or production be limited to certain matters;

(d) That a deposition be conducted with no one present except persons designated by the hearing examiner, or that a deposition transcript be sealed; or

(e) That a trade secret or other confidential research, development, or commercial information not be disclosed or be disclosed only in a designated way.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-109*

#### *Rule 3.12 Discovery Disputes.*

The parties shall make every effort to resolve disputes regarding discovery. Disputes that are unresolved may be brought to the hearing examiner for resolution by way of a motion to compel discovery, motion for protective order, or other appropriate motion. The disputed discovery is not stayed during the pendency of such motion, unless the hearing examiner so orders. The filing of such motion shall not extend the time to complete discovery, nor provide cause for a continuance of the hearing on the merits, unless the hearing examiner otherwise orders.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-109*

#### *Rule 3.13 Sanctions.*

If any party or his attorney fails reasonably to comply with any provision of this regulation, the Gaming Control Act, or any order entered, regarding any matter, including discovery, the hearing examiner upon motion or upon its own initiative, may impose upon such party or attorney, or both, appropriate sanctions in regard to the failure(s) as are just, including the following:

- (a) An order prohibiting the use of any witness, document or tangible thing which should have been disclosed, produced, exhibited or exchanged pursuant to this regulation or order of the hearing examiner;
  - (b) An order that designated facts shall be taken to be established;
  - (c) An order that the disobedient party may not support or oppose designated claims or defenses;
  - (d) An order striking out pleadings or parts thereof, or staying further proceedings or dismissing the proceeding or any part thereof, or entering a judgment by default against the disobedient party;
  - (e) The initiation of contempt proceedings as provided by Miss. Code Ann. §75-76-117.
- (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-117*

*Rule 3.14 Conduct Of Hearings.*

In addition to the procedures prescribed by statute, the following procedures will apply when appropriate:

- (a) The respondent will be allowed to present and argue any legal objections to the complaint set forth in the answer; the Executive Director may thereupon present its answering argument; and thereafter the respondent may present rebuttal argument. The matter will then be submitted to the hearing examiner for decision. The hearing examiner may rule upon such objections immediately or take the matter under advisement and proceed with the hearing.
  - (b) The Executive Director will present his opening statement on the merits. The respondent will then be permitted to make an opening statement of the defense, or he may reserve the same until commencement of the presentation of the defense.
  - (c) The Executive Director will then present its case in chief in support of the complaint.
  - (d) Upon conclusion of the Executive Director's case in chief, the respondent may move for dismissal of the complaint. The hearing examiner may hear arguments on the motion, or may grant, deny, or reserve decision thereon, with or without argument.
  - (e) If no motion to dismiss is made, or if such motion is denied or decision reserved thereon, the respondent shall thereupon present the case for the defense.
  - (f) Upon conclusion of the respondent's case, the Executive Director may present its case in rebuttal.
  - (g) Upon conclusion of the Executive Director's case in rebuttal, the Executive Director shall present its closing argument, the respondent may present answering argument, and thereafter the Executive Director may present rebuttal argument. Thereupon the matter will stand submitted for decision.
  - (h) The hearing examiner may ask questions of witnesses, and may request or allow additional evidence at any time, including additional rebuttal evidence.
  - (i) The burden of proof is at all times on the licensee, applicant or aggrieved party to show compliance with the Gaming Control Act and Mississippi Gaming Commission Regulations.
  - (j) Hearing Examiners shall be chosen as follows; either from the Attorney General's Office, a contracted private party or an individual whose expertise is relevant to properly interpret and enforce the Gaming Control Act and Mississippi Gaming Commission Regulations. Hearings may be conducted by telephone if the parties agree.
- (Adopted: 09/25/1991; Amended: 03/29/1993.)



Source: *Miss. Code Ann. §§ 75-76-117, 75-76-119, 75-76-123, 75-76-125*

*Rule 3.15 Evidence: Admissibility.*

(a) For the purpose of this Section, evidence is reliable if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs.

(b) In hearings governed by this regulation, the technical rules relating to evidence and witnesses shall not apply. Any relevant evidence may be admitted, and such evidence shall be sufficient in itself to support a finding if it is reliable, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in a civil action.

(c) By way of illustration only, those matters that would be admissible in a court of law are hereby deemed to be reliable, in addition to those matters that satisfy the standards set forth in subsections (a) and (b) of this Section.

(d) Irrelevant or unduly repetitious evidence shall be excluded upon request of a party or the hearing examiner's own initiative.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-111*

*Rule 3.16 Evidence: Authentication And Identification.*

(a) Documentary and other physical evidence may be authenticated or identified by any reasonable means, by evidence or other showing that the matter in question is what its proponent claims it to be.

(b) By way of illustration only, those matters that would be accepted as authentic in a court of law, are hereby deemed to be authentic, in addition to matters that satisfy the standard set forth in subsection (a) of this section.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-111*

*Rule 3.17 Failure Or Refusal To Testify.*

(a) If a respondent fails to testify in his own behalf or asserts a claim of privilege with respect to any question propounded to him, the hearing examiner may infer therefrom that such testimony or answer would have been adverse to his case.

(b) If any person controlling, controlled by, or under common control with, or employed by, or an agent of, a respondent fails to respond to a subpoena, or asserts a claim of privilege with respect to any question propounded to him, the hearing examiner may, taking into account all of the circumstances, infer that such testimony would have been adverse to the respondent.

(c) If, on a ground other than the properly invoked privilege against self-incrimination, a respondent fails to respond to a subpoena, or fails or refuses to answer a material question propounded to him, the hearing examiner may deem such failure or refusal to be independent grounds for granting the relief requested by the Executive Director in the complaint with respect to that respondent.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. §§ 75-76-109, 75-76-111*

*Rule 3.18 Amended Or Supplemental Pleadings.*

(a) Upon motion of a party made before submission of the case for decision, the hearing examiner may permit the filing of an amended or supplemental complaint or answer, including amended or supplemental pleadings that conform to the evidence presented at the hearing.

(b) If such motion is granted, all parties shall be permitted to introduce additional evidence with respect to any new matter contained in such amended or supplemental pleadings.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-115*

*Rule 3.19 Motions.*

(a) All motions shall be in writing, unless made during a hearing.

(b) A motion shall state with particularity the grounds therefore, shall be supported by a memorandum of points and authorities, and shall set forth the relief or order sought.

(c) Every written motion other than one which may be considered ex parte shall be filed with the hearing examiner and served by the moving party upon the adverse party or as the hearing examiner directs.

(d) An opposing party shall have ten (10) calendar days after service of the motion within which to file and serve a memorandum of points and authorities in opposition to the motion.

(e) The moving party shall have five (5) calendar days after service of the opposing memorandum to serve and file a reply memorandum of points and authorities if he so desires.

(f) If a motion or opposition is served by mail, three (3) calendar days shall be added to the time periods specified herein for response.

(g) The failure of a moving party to file a memorandum of points and authorities in support of a motion shall constitute consent to the denial of the motion. The failure of an opposing party to file a memorandum of points and authorities in opposition to any motion shall constitute consent to the granting of the motion.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-119*

*Rule 3.20 Continuances.*

Continuances will not be granted except for good cause shown. A motion to continue a hearing must be made at least ten (10) calendar days prior to the hearing date.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-119*

*Rule 3.21 Defaults.*

Failure of a respondent to file an answer to the complaint or to request a hearing, or to appear personally at a hearing on the merits without having obtained a waiver of appearance, shall constitute an admission of all matters and facts contained in the complaint filed with respect to such respondent, and shall be deemed a waiver of the right to an evidentiary hearing. In such cases the hearing examiner may take action based upon such admission or upon any other evidence, including affidavits, and without any further notices whatever to the respondent.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-107*

*Rule 3.22 Recommendation Of The Hearing Examiner And Decision Of The Commission.*

All findings of fact made by the hearing examiner or the Commission in disciplinary actions shall be based upon the preponderance of the evidence.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-119*

## **Title 13: Gaming**

### **Part 5: INTERNAL CONTROLS FOR GAMING ESTABLISHMENTS**

#### **Part 5 Chapter1: DEFINITIONS**

##### *Rule 1.1 Definitions in General*

The following terms as used in the Mississippi Gaming Commission Regulations for Gaming Establishments will have these meanings:

(a) "Baccarat Commission" means:

1. A fee assessed by a licensee on cash paid out as a loss to a patron at baccarat to modify the odds of the game; or
  2. A rate or fee charged by a licensee for the right to participate in a baccarat game.
- (Adopted: 09/23/1999.)

(b) "Business year" means the annual period used by a licensee for internal accounting purposes.

(c) "Card game" means a game in which the licensee is not party to wagers and from which the licensee receives compensation in the form of a rake-off, a time buy-in, or other fee or payment from a player for the privilege of playing, and includes poker, bridge, whist, solo and panguingui and bourre.

(d) "Card game drop box" means a locked container marked with a permanent number corresponding to the card table. The container shall be locked to the card table and shall be separately keyed from the container itself.

(e) "Credit instrument" means a writing which evidences a gaming debt owed to a person who holds a license at the time the debt is created, and includes any writing taken in consideration, consolidation, redemption or payment of a prior credit instrument.

(f) "Currency Acceptor Box" means a locked container securely attached to the gaming device for the purpose of collecting currency, wagering vouchers, and coupons.

(g) "Drop" means:

1. For table games, the total amount of currency, coins, chips, tokens, and credit instruments contained in the drop boxes.
2. For slot machines, the total amount of currency, wagering vouchers, coins, and tokens removed from the drop boxes or for cashless slot machines, the amounts deducted from a player's slot account as a result of slot machine play.

(h) "Drop box" means:

1. For table games, a locked container permanently marked with the game, shift, and a number corresponding to a permanent number on the table. All markings must be clearly visible from a distance of at least twenty feet. The container must be locked to the table, separately keyed from the container itself. All currency exchanged for chips or tokens or credit instruments at the table and all other items or documents pertaining to transactions at the table must be put into the container.
2. For slot machines, a container in a locked portion of the machine or its cabinet used to collect currency, wagering vouchers, coupons, coins, and/or tokens.

(i) Unless otherwise specified, "Executive Director" means the Executive Director of the Mississippi Gaming Commission or his designee.

(j) "Game" or "gambling game" means any banking or percentage game played with cards, with dice or with any mechanical, electromechanical or electronic device or machine for money, property, checks, credit or any representative of value, including, without limiting the generality of the foregoing, faro, monte, roulette, keno, fan-tan, twenty-one, blackjack, seven-and-a-half, big injun, klondike, craps, poker, chuck-a-luck (dai shu), wheel of fortune, chemin de fer, baccarat, pai gow, beat the banker, paguingui, slot machine, or any other game or device approved by the Mississippi Gaming Commission. However, "game" or "gambling game" shall not include:

1. bingo games or raffles which are held pursuant to the provisions of Miss Code Section 97-33-51;
2. games, devices or machines designed and manufactured for bona fide amusement purposes which, as a result of the insertion of coins, tokens or tickets, award prizes based more upon the skill of the player rather than upon the element of chance, if: (i) the amount of consideration required to play the game or operate the device or machine is fixed in an unvarying amount and cannot be increased or decreased to vary the potential prize, and; (ii) the amount of consideration required to play the game or operate the device or machine is not more than \$0.25, and; (iii) a prize of some value or a token or ticket redeemable toward a prize is awarded on each play of the game or operation of the device or machine, and; (iv) prizes are limited to non-cash merchandise, prizes, toys, or novelties, and; (v) the maximum value of any potential prize earned on a single play of the game or operation of the device or machine has a wholesale value not exceeding five dollars (\$5.00), and; (vi) the game, device or machine is not classified by the United States government as requiring a federal gaming stamp under applicable provisions of the Internal Revenue Code; and
3. amusement skill devices or machines, if:
  - i. prizes are limited to non-cash merchandise, toys or novelties; and
  - ii. the element of skill is a determinate in the awarding of any prize; and
  - iii. the player, on any single play of the device or machine, may not be awarded or become entitled to any prize with a wholesale value of more than \$10.00; and
  - iv. the amount of consideration required to operate the device or machine one time is fixed in an unvarying amount not to exceed \$1.00; and
  - v. there is no banking mechanism or automatic percentaging mechanism that determines whether a player wins or loses with any play of the device or machine. "Skill" for purposes of this Regulation VII. A. 10. means that a player's experience, precision, dexterity or ability to use his or her knowledge enables him or her to obtain more frequent rewards or prizes than those obtained by another less experienced, precise, dexterous or knowledgeable player.

(Adopted: 04/21/1994; Readopted: 04/29/1995; Amended: 11/20/2002; Amended: 07/15/2005.)

(k) "Jackpot payout" means:

1. Currency, tokens, credit to a player's slot account, and the actual cost to the licensee of personal property, other than travel expenses, food, refreshments, lodging, or services, distributed to a slot machine player as the result of a legitimate winning wager; and
2. Cash paid directly to an independent financial institution by a licensee for the purchase of an annuity designed to pay a player's winnings over several years.

(Adopted: 11/18/1999)

(l) "Override" means manual manipulation of the computerized system to generate a jackpot payout or hopper fill slip by inputting or changing the dollar amount.

(m) "Periodic Compliance Investigation" means an Investigation conducted for the purpose of determining a licensee's ability to maintain compliance with the Mississippi Gaming Control Act and the regulations promulgated thereunder, including, but not limited to, internal controls for gaming establishments.

(n) "Signature" means: An individual's signature as recorded on their signature card and a legible unique identification number (i.e. work permit number, or some uniquely generated number issued by the property in order to ensure that duplicate employee numbers are not utilized by employees) assigned by the licensee.

(o) "Statistical drop" means the dollar amount of chips or tokens purchased at a table by a patron with currency or credit instruments.

(p) "Statistical win" means the dollar amount won by the licensee through table play.

(q) "Supplemental Jackpot Payout Procedures" means a jackpot payout disbursed by the Slot Attendant or Slot Supervisor to a patron for a non-taxable jackpot from an imprest bank that was issued from the casino cage.

(r) "Wagering Voucher ("Voucher")" means: An encoded credit voucher, produced by a printer inside of a slot machine that is interfaced to a cashless wagering system.

(s) "Verifier" means:

1. For a jackpot payout or other payout, a Slot Attendant, Slot Supervisor, or Slot Manager other than the initiator of the jackpot payout slip who must physically verify the payout to a patron.

2. For a hopper fill, a Slot Attendant, a Slot Supervisor, a Slot Manager other than the initiator of the hopper fill slip, a Slot Mechanic or Security Officer who witness the deposit of the tokens/coins in the slot machine or compartment and the closing and locking of the slot machine or compartment.

(t) "Wager" means a sum of money or thing of value risked on an uncertain occurrence.

(Adopted: 04/21/1994; Readopted: 04/29/1995; Amended: 09/23/1999; Amended: 11/18/1999; Amended: 10/16/2002; Amended: 11/20/2002; Amended: 07/15/2005; Amended: 06/15/2006.)

Source: *Miss. Code Ann. § 75-76-33*

## **Title 13: Gaming**

### **Part 6: AUTHORITY OF THE STATE GAMING COMMISSION**

#### **Part 6 Chapter 1: In General**

##### *Rule 1.1 Authority*

The Mississippi Gaming Commission, or its designee, will have authority:

- (a). To conduct periodic audits or reviews of the books and records of licensees;
- (b). To review the accounting methods and procedures used by licensees;
- (c). To review and observe methods and procedures used by licensees to count and handle cash, chips, tokens, negotiable instruments, and credit instruments;
- (d). To examine the licensees' records and procedures in extending credit, and to confirm with gaming patrons the existence of an amount of debt and any settlement thereof;
- (e). To examine and review and require modifications of licensees' internal control procedures;
- (f.) To examine all accounting and bookkeeping records and ledger accounts of the licensee or a person controlling, controlled by, or under common control with the licensee;
- (g.) To examine the books and records of any licensee when conditions indicate the need for such action; and
- (h) To investigate each licensee's compliance with the Gaming Control Act and other regulations as it relates to internal controls or auditing procedures.

(Adopted: 04/21/1994; Readopted: 04/29/1995.)

Source: *Miss. Code Ann. § 75-76-33*

## **Title 13: Gaming**

### **Part 7: ACCOUNTING RECORDS**

#### **Part 7 Chapter 1: In General**

##### *Rule 1.1 Record Keeping of Licensee*

(a). Each licensee, in such manner as the Executive Director may approve or require, shall keep accurate, complete, legible, and permanent records of all transactions pertaining to gaming. Each licensee that keeps permanent records in a computerized or microfiche fashion shall provide the State Gaming Commission, upon its request, with a detailed index to the microfiche or computer record that is indexed by casino department and date. Documents may be scanned or directly stored to unalterable media with the following conditions:

1. The storage media system must contain the exact duplicate of the original document, and any multiple part documents are readily identifiable. In addition, the system must be capable of viewing side by side the original document to any multiple part documents for comparison.
2. Upon request by agents, hardware (terminal, printer, etc.), and software must be provided in order to perform audit procedures.
3. Controls must exist to ensure the accurate reproduction of records, up to and including the printing of stored documents used for audit purposes.
4. At least semi-annually, internal audit personnel must review a sample of the documents on the storage media system to ensure the clarity and completeness of the stored documents, and maintain their findings for at least three years.
5. Each licensee must meet the required standards in a field trial of the storage media system before they rely totally on the system for required record retention.
6. Unless the storage media system is used to perform audit functions, no gaming document, report, slip, form, etc., may be electronically imaged until all required document review and audit procedures have been completed.
7. Once the original gaming records are audited and subsequently electronically imaged, they must be maintained for at least ninety (90) days from the audit of the gaming records.
8. At a minimum, one complete set of archives must be maintained onsite, and a second complete set is to be secured in a water proof and fire proof location.

(Amended: 03/15/2007.)

(b) Each licensee shall keep general accounting records on a double entry system of accounting maintaining detailed supporting and subsidiary records, including:

1. Detailed records identifying revenues, expenses, assets, liabilities, and equity for each establishments;
2. Detailed records of all markers, IOU's, returned checks, hold checks, or other similar credit instruments;
3. Individual and statistical game records to reflect statistical drop, statistical win, and the percentage of statistical win to statistical drop by table for each table game, and to reflect statistical drop, statistical win, and the percentage of statistical win to statistical drop for each type of table game, either by each shift or other accounting period approved



by the Executive Director, and individual and statistical game records reflecting similar information for all other games;

4. Slot analysis reports which, by each machine, compare actual hold percentages to theoretical hold percentages;

5. The records required by the minimum standards for internal control;

6. Journal entries prepared by the licensee and its independent accountant; and

7. Any other records that the Executive Director specifically requires be maintained.

(c) Each licensee shall create and maintain records sufficient to accurately reflect gross income and expenses relating to its gaming operations.

(Adopted: 04/21/1994; Readopted: 04/29/1995.)

Source: *Miss. Code Ann. § 75-76-19*

## **Part 7 Chapter 2: RECORDS OF OWNERSHIP**

### *Rule 2.1 Corporate Licensee Shall Maintain Ownership Records on Premises*

(a) Each corporate licensee shall keep on the premises of its gaming establishment the following documents pertaining to the corporation:

1. A certified copy of the articles of incorporation and any amendments;

2. A copy of the bylaws and any amendments;

3. A copy of the certificate issued by the Mississippi Secretary of State authorizing the corporation to transact business in Mississippi;

4. A list of all current and former officers and directors;

5. Minutes of all meetings of the stockholder;

6. Minutes of all meetings of the directors;

7. A list of all stockholders listing each stockholder's name, address, the number of shares held, and the date the shares were acquired;

8. The stock certificate ledger;

9. A record of all transfers of the corporation's stock; and

10. A record of amounts paid to the corporation for issuance of stock and other capital contributions.

(b) Each partnership licensee shall keep on the premises of its gaming establishment the following documents pertaining to the partnership:

1. A copy of the partnership agreement and, if applicable, the certificate of limited partnership;

2. A list of the partners, including their names, addresses, the percentage of interest held by each, the amount and date of capital contribution of each partner, the date the interest was acquired, and the salary paid by the partnership; and

3. A record of all withdrawals of partnership funds or assets.

(c) Each sole proprietorship licensee shall keep on the premises of its gaming establishment a schedule showing the name and address of the proprietor and the amount and date of the proprietor's original investment and of any additions and withdrawals.

(Adopted: 04/21/1994; Readopted: 04/29/1995.)

Source: *Miss. Code Ann. § 75-76-27*

## **Part 7 Chapter 3 FINANCIAL STATEMENTS AND ANNUAL AUDIT**

### *Rule 3.1 Retention of Financial Records and Submission to Audits.*

(a). Each licensee shall prepare financial statements covering all financial activities of the licensee's establishments for each business year. If the licensee or a person controlling, controlled by, or under common control with the licensee owns or operates room, food, or beverage facilities, the financial statement must cover those operations as well as gaming operations. Licensees shall submit the financial statements to the State Gaming Commission not later than three months following the end of the business year covered by the statement. Each financial statement must be signed by the licensee who thereby attests to the completeness and accuracy of the statement.

In the event of a license termination, change in the business entity, or a change in the percentage of ownership of more than twenty percent, the licensee or former licensee shall, not later than three months after the event, submit to the Commission a financial statement covering the period since the period covered by the previous financial statement.

(b). Each licensee shall prepare all financial statements utilizing a chart of accounts recognized by generally accepted accounting principles.

(c). Each licensee shall furnish to the Executive Director, upon written request, statistical and financial data for the purpose of compiling, evaluating, and disseminating financial information regarding the economics and trends within the gaming industry.

(d). Each licensee must submit an audit report of its financial statements to the State Gaming Commission each year. This audit must be performed by an independent accountant who holds a permit to practice public accounting in the State of Mississippi.

The independent accountant, through the licensee, must submit an audit report which expresses an unqualified or qualified opinion, or disclaim an opinion on the statements taken as a whole in accordance with standards for the accounting profession established by rules and regulations of the Mississippi State Board of Public Accountancy. The preparation of statement without audit does not constitute compliance. The examination and audit must disclose whether the accounts, records and control procedures maintained by the licensee are as required by the regulations promulgated by the State Gaming Commission.

(e). The licensee shall submit to the State Gaming Commission its audited statements no later than three months after the last day of the licensee's business year. If the license of a licensee is terminated within three months of a period covered by an audit, the licensee may submit compiled statements in lieu of the additional audited statement for the licensee's final period of business.

(f). If a licensee changes its business year, the licensee shall prepare and submit to the State Gaming Commission audited financial statements covering the period from the end of the previous business year to the beginning of the new business year no later than three months from the end of such period.

(g). All reports which directly relate to the independent accountant's examination of the licensee's financial statements must be submitted within three months after the end of the licensee's business year.

(h). The Executive Director may request additional information and documents from either the licensee or the licensee's independent accountant, through the licensee, regarding the financial statements or the services performed by the accountant.

(i). The licensee is responsible for the payment of all costs and fees generated by any audit required by the Commission. Failure to pay such costs and fees may result in revocation of the license.

(Adopted: 04/21/1994; Readopted: 04/29/1995.)

Source: *Miss. Code Ann.* §§ 75-76-27 , 75-76-49

#### *Rule 3.2 Retention of Records.*

Each licensee shall provide the State Gaming Commission, upon its request, with the records required to be maintained by these regulations. Unless the Executive Director approves or requires otherwise in writing, each licensee shall retain all such records within Mississippi for at least three years after they are made. However, slot wagering instruments must only be maintained for a minimum of 90 days if the following conditions apply:

(a). All information on the wagering instrument is contained on a separate system generated report and kept with the daily audit paperwork; and

(b). The wagering instruments do not contain the signature of the verifier, or other evidence of internal control procedures having been performed.

(Adopted: 04/21/1994; Readopted: 04/29/1995; Amended: 12/18/1997; Amended: 09/15/2004; Amended: 06/15/2006.)

Source: *Miss. Code Ann.* § 75-76-35

#### *Rule 3.3 Computation of Gross Revenues*

Gross revenue includes cash received as winnings, cash received for credit extended to a patron for purposes of gaming, and compensation received for conducting any game in which the licensee is not party to a wager, less cash paid out as losses to patrons or amounts paid to purchase annuities to fund losses paid to patrons over several years by independent financial institutions.

(a). For each table game, gross revenue equals the closing bankroll plus credit slips for cash, chips, or tokens returned to the casino cage, plus drop, less opening bankroll and fills to the table.

(b). For each slot machine, gross revenue equals drop less fills to the machines, jackpot payout, and, if the licensee retains detailed documentation supporting the deduction, the actual cost to the licensee of any personal property (other than costs of travel, food, lodging, services, food and beverages) provided for or distributed to a patron as winnings. The initial hopper load is not a fill and does not affect gross revenue.

(c). For each counter game, gross revenue equals the money accepted by the licensee on events or games that occur during the month or will occur in subsequent months less money paid out during the month to patrons on winning wagers; or the money accepted by the licensee on events or games that occur during the month plus money, not previously included in gross revenue, that was accepted by the licensee in previous months on events or games occurring in the month, less money paid out during the month to patrons on winning wagers.

(d). For each card game and any other game in which the licensee is not a party to a wager, gross revenue equals all money received by the licensee as compensation for conducting the game.

(e). A licensee shall not include either shill win or shill loss in gross revenue computations.

(f). A licensee shall not exclude money paid out on wagers that are knowingly accepted by the licensee in violation of Gaming Control Act or the regulations of the Mississippi Gaming Commission from gross revenue.

(g). If in any month the amount of gross revenue is less than zero, the licensee may deduct the excess in the succeeding months, until the loss is fully offset against gross revenue.

(h). Counterfeit money or tokens, foreign currency received in gaming devices, and cash taken in fraudulent acts perpetrated against a licensee for which the licensee is not reimbursed, are not included in gross revenue.

Any of the above items which were previously excluded from gross revenue, but were reimbursed at a later date, must be included in the next month's gross revenue license fee return.

(i). Cash received as entry fees for contests or tournaments in which the patrons compete for prizes are not included in gross revenue, nor are cash or the value of noncash prizes awarded to patrons in a contest or tournament considered losses.

(j). All revenue received from any game or gaming device which is leased for operation on the premises of the licensee-owner to another person other than the owner, or which is located in an area on such premises which is leased by the licensee-owner to any such person, must be included as part of the gross revenue of the licensee-owner.

(k). Any prizes, premiums, drawings, benefits or tickets which are redeemable for money, merchandise or other promotional allowance may only be deducted as losses when the award is a direct result of slot machine play and when the points or credits accumulated are determined by coin out. The actual cost to the licensee of any merchandise awarded to the patron shall be the basis of the deduction for any non-cash items. Accrued "points" from player tracking promotions may not be deducted but only may be deducted at such time as the said points are redeemed by the patron. All types of promotional play at a table game must be included in the computation of gross revenue.

(l). Any portion of the face value of any chip, token or other representative of value won by a licensee from a patron for which the licensee can demonstrate that it or its affiliate has not received cash should not be included in the computation of gross gaming revenue.

(m). Uncollected baccarat commissions should not be included in the computation of gross gaming revenue provided that proper documentation, as approved by the Executive Director of the Mississippi Gaming Commission, is maintained.

(n). If a licensee provides periodic payments to satisfy a payout resulting from a wager, the initial installment payment when paid and the actual cost of the payment plan approved pursuant to Regulation III. A., Section 9 and funded by the licensee may be deducted from winnings. For any funding method which merely guarantees the licensee's performance and under which the licensee makes payments directly out of cash flow (e.g., irrevocable letters of credit, surety bonds, or other similar methods), the licensee may only deduct such payments when paid to the patron. A licensee may deduct from winnings its pro rata share of a wide area progressive linked system payout, under the provisions of its contract with the operator of the system, and in accordance with the requirements stated herein.

(Adopted: 04/21/1994; Readopted: 04/29/1995; Amended: 09/23/1999; Amended: 09/21/2000.)

Source: *Miss. Code Ann.* §§ 75-76-45, 75-76-47, 75-76-49

## **Part 7 Chapter 4: INVESTIGATIVE COSTS, FINES OR OTHER ASSESSMENTS**

### *Rule 4.1 Cost, Fines or Other Assessments Associated with Investigations*

The applicant for a state gaming license is required to pay all or any part of the fees and costs of investigation of such applicant as may be determined by the Executive Director of the Gaming Commission. These costs shall be made payable to the Mississippi Gaming Commission within thirty-days of written notice. Any fines or other assessments levied by the Mississippi Gaming Commission or the Executive Director will be considered due and payable thirty days after final determination of such fines or assessments and shall be made to the State Tax Commission. The investigative fee levied by the Mississippi Gaming Commission will be as follows: for those gaming licensees with 1500 or more gaming devices as defined in Section §75-76-5 (m), including slot machines as defined in Section §75-76-5 (ff), the fee will be \$325,000.00 per year; for those gaming licensees with 1000 to 1499 gaming devices as defined in Section §75-76-5 (m), including slot machines as defined in Section §75-76-5 (ff), the fee will be \$250,000.00 per year; and for those gaming licensees with less than 1000 gaming devices as defined in Section §75-76-5 (m), including slot machines as defined in Section §75-76-5 (ff), the fee will be \$150,000.00 per year. This fee will be in four (4) equal quarterly installments due within thirty (30) days of receipt of the assessment. The number of gaming devices for any licensee for purposes of the assessment will be determined annually based on the average number of gaming devices reported to the Mississippi Gaming Commission during a twelve (12) month period. This fee is only applicable to any person or party issued a gaming license, and any corporation or other entity registered as a holding company or publicly traded corporation of such licensee, and any person or individual required by Commission regulations or otherwise required by the Commission to be found suitable in connection with such licensee or holding company or publicly traded corporation registered in connection with such licensee. The remainder of fees collected in excess of the amount authorized by statute will be credited to the gaming licensees for the following year. The following fees apply to all those not subject to the investigative fee above:

- (a). Corporate and Investigations fee \$80/ hour plus expenses
- (b). Gaming laboratory fee \$225/line item
- (c). Associated Equipment fee \$125 hour
- (d). Work permit fee \$75/original
- (e). Work Permit fee \$125/renewal
- (f). Annual report filing fee 150/suitability license
- (g). Junket permit fee \$500/plus \$500 investigative fee
- (h). Inspection/tracking fee \$100/per machine
- (i). Instructor Permits \$100

See Miss. Code Ann. §75-76-33.

(Adopted: 04/21/1994; Readopted: 04/29/1995; Amended: 4/29/2010.)

Source: *Miss. Code Ann. §§ 75-76-5, 75-76-33*

## **Part 7 Chapter 5: INTERNAL CONTROL**

### *Rule 5.1 Internal Control Procedures*

(a). Each licensee shall establish administrative and accounting procedures for the purpose of exercising effective control over the licensee's internal fiscal affairs. Minimum procedures for adoption by each licensee shall include, but are not limited to, and are designed to reasonably ensure that:

1. Assets are safeguarded;
2. Financial records are accurate and reliable;
3. Transactions are performed only in accordance with management's general or specific authorization;
4. Transactions are recorded adequately to maintain accountability for assets;
5. Access to assets is permitted only in accordance with management's specific authorization;
6. Recorded accountability for assets is compared with actual assets at reasonable intervals and appropriate action is taken with respect to any discrepancies; and
7. Functions, duties, and responsibilities are appropriately segregated and performed in accordance with sound practices by competent, qualified personnel.

(b). Each licensee and each applicant for a license shall describe its administrative and accounting procedures in detail in a written system of internal control. Each licensee and applicant for a license shall submit a copy of its written system to the Mississippi Gaming Commission at least six (6) weeks before gaming begins at its establishment. Each written system must include:

1. An organizational chart depicting appropriate segregation of functions and responsibilities;
2. A description of the duties and responsibilities of each position shown on the organizational chart, as well as the names of each key employee by position;
3. A detailed, narrative description of the administrative and accounting procedures designed to satisfy the internal control requirements;
4. A written statement signed by the licensee's chief financial officer and either the licensee's chief executive officer or a licensed owner attesting that the system satisfies the internal control requirements;
5. A letter from an independent accountant stating that the applicant's written system has been reviewed by the accountant and complies with the requirements of this section; and
6. Any such other items as the Executive Director may require.

(c). The licensee may not implement a system of internal control procedures that does not satisfy the stated minimum standards unless the Executive Director, in his sole discretion, determines that the licensee's proposed system satisfies the requirements and approves the system in writing. Within thirty days after a licensee receives notice of the Executive Director's approval of procedures that satisfy the internal control requirements, but that do not satisfy the minimum standards, the licensee shall comply with the approved procedures, amend its written system accordingly, and submit to the Executive Director a copy of the written system as amended and a written description of the variations signed by the licensee's chief financial officer and either the licensee's chief executive officer or a licensed owner.

(d). Annually, each licensee shall require the independent accountant engaged by the licensee to examine the financial statements as provided in Regulation E to submit to the licensee two copies of a written report concerning licensee's compliance with the procedures and written system of minimum internal control standards. The independent accountant shall report each event and procedure discovered by or brought to the accountant's attention that the accountant

believes does not satisfy the minimum standards or variations from the standards that have been approved by the Executive Director. Not later than three months after the end of the licensee's business year, the licensee shall submit a copy of the accountant's report or any other correspondence directly relating to the licensee's systems of internal control to the Executive Director accompanied by the licensee's statement addressing each item of noncompliance noted by the accountant and describing the corrective measures taken.

(e). Before adding or eliminating a counter game, eliminating all table games, adding any computerized system that affects the proper reporting of gross revenue, adding any computerized system for monitoring slot machines or other games, or any other computerized associated equipment, the licensee must:

1. Amend its accounting and administrative procedures and its written system of internal control to comply with the minimum standards;
2. Submit to the Executive Director a copy of the written system as amended, and a written description of the amendments signed by the licensee's chief financial officer and either the licensee's chief executive officer or a licensed owner;
3. Comply with any written requirements imposed by the Executive Director regarding administrative approval of computerized associated equipment; and
4. After paragraphs (a) through (c) have been complied with, implement the procedures and written system as amended.

(f). If the Executive Director determines that a licensee's administrative or accounting procedures or its written system does not comply with the requirements of this section, the Executive Director shall so notify the licensee in writing. Within thirty days after receiving the notification, the licensee shall amend its procedures and written system accordingly, and shall submit a copy of the written system as amended and a description of any other remedial measures taken.

(g). A separate internal audit department (whose primary function is performing internal audit work and who is independent with respect to the departments subject to audit) will be maintained by the licensee. For two or more licensees, or a licensee who may have an affiliated company licensed in another jurisdiction, who essentially have common ownership and/or management, a single internal audit department for the combined properties is adequate. The internal audit is required to develop quarterly reports providing details of all exceptions found and subsequent action taken by management to correct. Such report will include a written response from management. Documentation (e.g. checklists, programs, reports, etc.) will be prepared to evidence all internal audit work performed as it relates to these requirements. The quarterly Internal Audit Reports, along with the licensees responses, shall be submitted to the Mississippi Gaming Commission no later than thirty (30) days after the end of the calendar quarter. The results of internal audit work will be reported to management or ownership personnel who are independent of the departments under audit. All material exceptions resulting from internal audit work must be investigated and resolved, with the results of such being documented and retained for three years.

(h) If changes are proposed to the approved system of internal controls, they must be submitted to the Gaming Commission a minimum of fifteen (15) days prior to the intended implementation date, and may not be implemented without written approval of the Executive Director.

(Adopted: 04/21/1994; Readopted: 04/29/1995; Amended: 12/18/1997; Amended: 02/24/1998; Amended: 06/15/2006.)

Source: *Miss. Code Ann.* §§ 75-76-45, 75-76-47, 75-76-49

## **Part 7 Chapter 6: AUTHORIZED PERSONNEL**

### *Rule 6.1 Personnel Authorized to Have Cage Access*

(a). Each licensee shall place on file with the Commission the names of all persons authorized to enter the cashier's cage ("cage access list"), those who possess the combination or keys to the locks securing the entrance to the cage and those who possess the ability to operate the alarm systems. Cage access lists shall include individuals who have interest in the cage area. Each licensee shall also submit a list ("drop/count access list") to the Commission for approval of employees authorized to participate in the drop and count and those employees who are authorized to be in the count rooms during the count. Each list must have the name of the individual, their job title or company and gaming work permit number. The cage and drop/count access lists shall include those persons, if any, living in the same household, who hold an interest in the licensee and shall indicate what relationship by blood, or marriage, if any, exists between any person on the lists and any other person on such list or any interest holder or employee of the gaming establishment. Drop/count access lists shall only include individuals who have a specific daily job interest in this area. Specific daily job interest includes the count team members, their immediate supervisors and vendors who service counting machines.

(b). Each licensee shall submit a revised list to the Commission within ten days of any change to the cage access list. Surveillance must monitor and record all activities within the cage. Secondary notification is required to the Commission for all cage vendor access. In cases where employees or vendors not possessing a gaming work permit are required to enter the cage, a Security escort must be provided and Surveillance must be notified prior to entry.

(c). Each licensee shall submit a revised list in advance for approval to the Commission of any changes to the drop/count access lists prior to the individual performing the drop and/or entering the count room.

(d). Surveillance must monitor and record all activities within the count room. During the count process, personnel are not allowed to exit or enter the count room except for emergencies or scheduled breaks. At all times a Security escort will be required for vendors accessing the count room. Access to the count room during the count is restricted to individuals on the drop/count access list. The licensee is required to provide secondary notification to the Commission of access by vendors who are listed on the drop/count room access list. For access during or outside count times into the count rooms, the licensee shall at all times be in compliance with the following requirements:

1. Access into the count rooms by any individual requires a valid Commission work permit (excluding MGC and MSTC personnel). Representatives of the MGC and MSTC must present identification before entering the count rooms.
2. A Count Room Access Request Form must be submitted to the Commission for prior approval for any individuals not listed on the drop/count access list. Unless otherwise instructed by the Commission, Security escort must be provided for access into the count rooms.
3. When the counting device requires maintenance during the count, all gaming revenues must be secured until the vendor has finished the maintenance on the counting device and exited the count room.
4. Only count team members may handle gaming revenues.



(Adopted: 04/21/1994; Readopted: 04/29/1995; Amended: 06/15/2006; Amended 12/20/2007.)

Source: *Miss. Code Ann. § 75-76-51*

## **Part 7 Chapter 7: HANDLING OF CASH AND CHIPS**

### *Rule 7.1 Cash and Chips*

(a). All games shall be conducted only with the use of chips or approved tokens or other instrumentalities which have been approved by the Executive Director, or with lawful currency or coinage of the United States of America. All table game payout by licensees shall be made in the form of chips, approved tokens, and/or coinage only. Each employee in gaming operations, owner or licensee who receives currency of the United States (other than tips or gratuities) from a patron in the gaming area of a gaming establishment must promptly place the currency in the locked box in the table or, in the case of a cashier, in the appropriate place in the cashiers' cage. For those games which do not have a locked box, the cash or chips shall be placed in an appropriate place on the table, in the cash register or other repository which has been approved by the Executive Director.

(b). No employee, licensee or owner of any gaming establishment may cash for another person the chips of that gaming establishment without immediately returning to the patron the cash, IOU, check, or marker redeemed with the chips.

(c). All chips shall be the standard colors commonly accepted for each denomination within the industry. Those colors are: One dollar (\$1.00), white; five dollar (\$5.00), red; twenty-five (\$25.00), green; one hundred dollars (\$100.00), black; and five hundred dollar (\$500.00) chips will be purple.

(d). All tips and gratuities in denominations of \$5.00 or greater shall be immediately deposited into a locked box reserved for that purpose that is attached to the gaming table, change cart, change belt, wall or other object, as approved by the Commission. Tips and gratuities in denominations less than \$5.00 may be maintained next to the tip and gratuity locked box until the time when the sum of the tips and gratuities is equal to \$5.00. At which point the tips and gratuities will be converted to \$5.00 denomination and immediately deposited into the locked box reserved for that purpose. If non-value chips are received as a gratuity, a supervisor shall witness the immediate conversion of non-value chips to value chips.

(Adopted: 04/21/1994; Readopted: 04/29/1995; Amended: 06/15/2006.)

Source: *Miss. Code Ann. § 75-76-101*

### *Rule 7.2 General Drop and Count Procedures.*

(a) The Executive Director may, at his discretion, have an agent present at the count. Drop boxes must be removed and counted on a schedule approved by the Commission. Emergency drops will require a secondary written notification to the Commission and permanent drop schedule changes will require prior approval. The slot machine currency acceptor box count and table games drop box count must be done at separate times. The licensee must obtain written approval in advance of any change to the designated drop and count. Surveillance is required to record in writing all exceptions noted in their observation of the drop and count procedures. Such exceptions shall be notated by the surveillance personnel's unique employee number and a copy sent to the Accounting department and the Commission for review and determination.

(b) At least three persons shall perform the drop and count functions, two (2) of whom are independent of the generation of revenue being counted. All personnel must wear a one piece pocketless garment with openings only for the arms, feet and neck. If other equipment such as back braces, gloves, knee pads, etc. are used by the drop and/or count team members during the drop and count procedures, the licensee must have the same degree of controls on these items as the one piece garment. One piece garments and any other equipment used during the drop and/or count must be removed and inspected by the licensee when exiting the count room for breaks and at the end of each count. Each licensee must have included in their written system of internal control procedures for subjecting employees to a metal detection system and inspection for concealed funds when exiting the count rooms.

(c) Each casino shall have rooms specifically designated for counting the contents of drop boxes, which shall be known as the count rooms. The count rooms shall be designed and constructed to provide maximum security for materials housed in and the activities conducted therein. Materials and/or supplies housed in the count rooms must be removed from boxes and placed on open shelves. The shelves must be placed in an area that allows the greatest amount of visibility for Surveillance. Located within the soft count room shall be a table constructed of clear glass or similar material for the emptying, counting and recording of the contents of drop boxes, which shall be known as the "soft count table". There will be no transfer of coins, chips, tokens, wagering vouchers, coupons or currency in or out of the count rooms until all count procedures are complete and the cage has taken possession of the drop into accountability. Cleaning and normal maintenance of the count rooms shall not be conducted until the counts have been completed and all funds cleared from the count rooms. The count begins when the count team enters the count room and ends when a member of the cage/vault department signs for the funds accepting accountability. Further, nongaming revenues, such as restaurant or bar receipts, must not be counted coinciding with the count of gaming revenue. Persons shall not:

1. Carry a pocketbook or other personal items into the count rooms.
2. Remove their hands from or return them to a position on or above the count table unless the backs and palms of the hands are first held straight out and exposed to the view of other members of the count team and the closed circuit television camera.

(d) If a weigh scale interface or currency counter interface is used, corrections to count data are made by crossing out the error on the count document, entering the correct figure, and then obtaining the initials and unique identification number of at least two count team members who verified the change. An Accounting employee independent of the revenue being counted and independent of the count team enters the correct figure into the computer system prior to the generation of related reports.

(e) Count team members must be prepared to perform a manual count of the drop in case of currency counting, sorting machine or weigh scale malfunctions. This manual process should be included in the written system of internal controls.

(f) All coins, tokens, chips and/or cash inventory stored in the count room must be secured from unauthorized access at all times.

Source: *Miss. Code Ann.* §§ 75-76-5, 75-76-33, 75-76-45

#### *Rule 7.3 Table Games and Slot Drop Procedures.*

The drop supervisor or Security must notify Surveillance when the drop is to begin in order that Surveillance may monitor the activities. Surveillance and Security must monitor at all times the

removal and placement of the drop boxes from the slot machines onto the drop carts. Surveillance and the Table Games Manager must monitor at all times the removal and placement of drop boxes from the table games onto the drop carts and the transportation of the drop cart. Each drop box removed must be tagged with its respective machine or game number if the drop boxes are not permanently marked.

When funds are exposed during the currency acceptor box drop, the funds along with the currency acceptor box must be placed in a clear plastic bag that will be sealed and labeled. The bag will be placed on the drop cart; and Security must notify surveillance when this occurs. The drop cart contents are transported directly to the area designated for the counting of such monies. If more than one trip is required to remove the drop boxes, the filled carts will be securely locked in the rooms designated for counting or secured in another equivalent manner. There must be a locked cover on any carts in which the drop route includes passage through exposed areas (e.g., out of doors, etc.). There will not be any unsecured funds in the count rooms when a new drop is entering the count room.

Source: *Miss. Code Ann.* §§ 75-76-5, 75-76-33, 75-76-45

*Rule 7.4 Table Games and Slot Currency Acceptor Count Procedures.*

The work schedules of soft count personnel must be regularly rotated and their functions regularly rotated. Rotation shall be such that the count team is not consistently the same three individuals for more than four days per week. All doors are to be locked and personnel are not allowed to exit or enter the count room unless all boxes and monies have been secured. Licensees must include in their written system of internal control procedures for securing the funds when entering and exiting the count room.

(a) Procedures and requirements for conducting the count shall be as follows:

1. If a currency counting machine is used, immediately prior to the drop box count it shall be tested prior to the actual count to ascertain if the metering device is working properly. The test must be documented, signed by at least two count team members performing the test and forwarded to accounting with other count documentation.
2. As each drop box is placed on the count table to be individually counted, one count team member shall verbalize in a tone of voice to be heard by all persons present the type of game, table number and shift (if applicable), for each table game drop box and the slot machine number for each currency acceptor box.
3. The contents of each drop box shall be emptied on the count table. Immediately after the contents of a drop box are emptied onto the count table, the inside of the drop box shall be examined by at least one (1) other count team member to ascertain by stating "empty" that all contents of the drop box have been removed. In addition, the empty drop box shall be positioned by a count team member in such a way that Surveillance may verify the drop box is empty, after which the drop box shall be locked and placed in the storage area for empty drop boxes.
4. The contents shall be separated into stacks on the count table by denomination of coin/chip/token, currency and type of form (wagering vouchers, coupons, etc.), record or document. An approved counting device can be used to automatically sort currency by denomination, tickets, and coupons.
5. Each denomination of coins, chips, tokens, currency, tickets, and coupons shall be counted separately by one count team member. The coins, chips, tokens, currency,

wagering vouchers, and coupons shall be counted by a second count team member who is unaware of the result of the original count and who, after completing this count, shall confirm the accuracy of the total reached by the first count team member. If the licensee utilizes a machine that counts and automatically records the amount of currency, wagering vouchers, and coupons and the Commission is satisfied with the accuracy of the machine, an aggregate count may be performed of all currency, wagering vouchers, and coupons collected in substitution of the second count.

6. As the contents of each table game drop box are counted, one count team member shall record on the count documentation, in ink or by computer, the type of game, table number, shift (if applicable), and the following information:

- i. The amount of each denomination of currency counted,
- ii. The amount of all denominations of currency counted,
- iii. The amount of coins, chips, and tokens counted,
- iv. The total amount counted,
- v. The amount of the opener,
- vi. The amount of the closer,
- vii. The serial number and amount of each fill,
- viii. The amount of all fills,
- ix. The serial number and amount of each credit,
- x. The amount of all credits,
- xi. The win or loss, and
- xii. The amount of coupons authorizing chip purchases.

7. Notwithstanding the requirements of Mississippi Gaming Commission Regulation VII, L. Section 3.a.(6), if the licensee's system of internal controls provide for the recording on the master game report or supporting documents of fills, credits, and table inventory slips prior to commencement of the count, a count team member shall compare for agreement the totals of the amounts recorded thereon to the fills, credits, and table inventory slips removed from the drop boxes.

8. As the contents of each slot machine drop box are counted, one count team member shall record on the count documentation, in ink or by computer, the machine number and the following information:

- i. the amount of each denomination of currency counted;
- ii. the amount of all denominations of currency counted;
- iii. the amount of wagering vouchers and coupons counted; and
- iv. the total amount counted.

9. If the licensee's written system of internal controls provide for the count team functions to be conducted only by Accounting department employees with segregated functions, they shall perform all other counting, recording and comparing duties herein.

10. After preparation of the count documentation, each count team member shall attest to the accuracy of the documentation by signature.

(b) Procedures and requirements at the conclusion of the count shall be as follows:

1. All currency, chips, tokens, and coins removed from the drop boxes shall be immediately presented in the soft count room by the count team to the cashier. Prior to having access to the information recorded on the count documentation and in the presence of the count team, the cashier shall recount either manually or mechanically the currency, chips, tokens, and coins received and attest by signature on the count

documentation and transfer slip the amount received. The currency, chips, tokens, and coins are transferred to a secure area after reconciliation of the count.

2. After all signatures have been obtained and the cashier has verified the amount received, all count and supporting documentation shall be placed in a clear sealed audit bag and be delivered by a count team member, to the Accounting department for audit and verification.

(Amended: 03/15/2007.)

Source: *Miss. Code Ann.* §§ 75-76-5, 75-76-33, 75-76-45

*Rule 7.5 Slot Coin Count Procedures.*

(a) The weigh scale shall be tested with varying weights and compared to a predetermined weight amount prior to the count to ensure the scale is properly calibrated. The metered count machine used to wrap and/or bag the tokens/coins shall also be tested prior to the actual count to ascertain if the metering device is working properly by using a predetermined number of tokens or coins for each denomination. These tests must be documented, signed by at least two count team members performing the tests and forwarded to accounting with other count documentation.

(b) After the tokens/coins of each slot machine are weighed, a count team member shall record the machine number, amount of weight and the dollar amount in ink on a source document unless the weigh scale automatically records such information in the Slot Accounting System. The weigh will be converted to dollar amounts prior to the reconciliation of the weigh to the wrap/bag.

(c) The tokens/coins are wrapped/bagged immediately after being weighed or counted. As the tokens/coins are being wrapped/bagged, it is maintained in such a manner so as to be able to obtain an accurate count when the wrapping/bagging is completed. At the completion of the wrapping/bagging of the tokens/coins, a count team member independently counts the wrapped/bagged tokens/coins and reconciles it with the weigh/meter count.

(d) A count team member prepares a hard drop summary report showing the results of the weigh/counts and wrapped/bagged amount by denomination. Discrepancies between the weigh/count and the wrapped/bagged amounts are to be investigated immediately and explained on the summary report.

(e) At the conclusion of the count, all persons participating in the count process shall attest to the accuracy of the amounts recorded by signature on the summary report.

(f) Tokens/coins shall be presented in the hard count room by the count team to the cashier who prior to having access to the information recorded on the summary report and in the presence of the count team members shall recount the wrapped/bagged tokens/coins received and attest by signature on the summary report and transfer slip the amount of cash received. The wrapped/bagged tokens/coins are transported to a secure area after the reconciliation of the count. After all signatures have been obtained and the cashier has verified the amount received, all count and supporting documentation shall be placed in a clear, sealed audit bag and be delivered by a count team member to the Accounting department for audit and verification.

(Amended: 03/15/2007.)

Source: *Miss. Code Ann.* §§ 75-76-5, 75-76-33, 75-76-45

*Rule 7.6. Equipment Control.*

(a) The calibration module of the weigh scale is to be sealed at all times by a seal of such a nature to prevent tampering (e.g. metal strip with prenumbered labels, lock and key, password protected, etc.). A person independent of the cage, vault and slot departments is required to be present when the calibration module is accessed. Access must be documented and maintained.

(b) Weigh scale and weigh scale interface shall be tested by someone independent of the cage, vault, slot departments, and count team at least on a quarterly basis. The results of this test must be fully documented and maintained on file by the licensee.

(c) If the weigh scale has a zero adjustment mechanism, it shall be either physically limited to minor adjustments (e.g., weight of a bucket) or physically situated such that any unnecessary adjustments to it during the weigh process would be observed by other count team members and Surveillance. Addition and deletion of slot machine numbers in the weigh scale must be performed by accounting personnel who is independent of the drop and count process.

(d) If a weigh scale interface is used, it shall be adequately restricted to prevent unauthorized access (passwords, keys, etc.).

(Adopted: 04/21/1994; Amended: 06/15/2006.)

Source: *Miss. Code Ann. §§ 75-76-5, 75-76-33, 75-76-45*

**Part 7 Chapter 8: TABLE GAMES**

*Rule 8.1 Minimum Standards of Internal Control for Table Games.*

The Mississippi Gaming Control Act of 1990 requires the Gaming Commission to prescribe minimum procedures for adoption by each licensee in order to exercise effective control over the internal fiscal affairs of the licensee. The following sections of this regulation apply to all table games.

Source: *Miss. Code Ann. § 75-76-51*

*Rule 8.2 Fill and Credit Slips.*

All fills slips and credit slips shall be serially numbered forms and shall be purchased in triplicate in a continuous series utilizing the property identification logo, so that no gaming establishment may ever utilize the same documents. Only one series of each type may be used at a time in any establishment. This series must be inserted in a consecutive order in a locked machine that will permit the original and duplicate to be utilized by the establishment in accordance with the detailed rules for each type of slip set forth, and will only permit the third copy to be retained intact in a continuous unbroken form by a member of the accounting department. The third series, after use, must not be available to personnel in the gaming operations of an establishment, or cashier's cage, who have access to the original and duplicate of the series, and must be retained in a secure place on the premises. All series numbers that are received by the establishment must be accounted for. All void slips shall be marked "VOID" and shall require the signatures and unique identification number of the two persons voiding the slip. Information on the fill or credit slip must include the denomination of gaming chips to be distributed to the gaming tables or being returned, the total amount of each denomination of gaming chips, the game and table number to which the gaming chips are to be distributed or returned, and the time and date of the fill or credit. For licensees in which fills or credits are computer prepared, each

series shall be a two (2) part form and shall be inserted in a printer that will simultaneously print an original and a duplicate and store, in machine readable form, all information printed on the original and duplicate. The stored data shall not be susceptible to change or removal by any personnel after preparation.

Source: *Miss. Code Ann. § 75-76-51*

*Rule 8.3 Procedure for Distributing Gaming Chips to Game Tables (Fills).*

A request for fill shall be prepared by a table games supervisor. The request shall be a two-part form, and access to the request shall, prior to use be restricted to authorized users. All fill slips requesting chips or money must be prepared at the time a fill is made and must be signed by the cashier or his assistant and by the casino supervisor or his assistant by using the full name in a legible manner. The original fill slip and the fill shall then be hand carried from the cashier's cage to the table requesting the fill by security or another employee whose function is to transport fills. Persons designated to transport fills may not be employed in the cage or table games areas. The dealer or boxman must count the amount of the fill and sign the form attesting that the table has received the amount of fill indicated. The person who carried the fill to the table must also certify that the fill was deposited on the table by signing his full name in a legible manner. The original fill slip shall then be deposited into the drop box on the table by the dealer, where it will appear in the soft count room with the cash receipts for the shift. The duplicate fill slip shall remain in sequence in the series at the cashier's cage, or location where they are kept, to provide a means of reconciliation of fill slips by the gaming establishment. This duplicate cannot be accessible to pit personnel.

Source: *Miss. Code Ann. § 75-76-51*

*Rule 8.4 Procedure for Distributing Gaming Chips to Game Tables (Credits).*

A request for credit shall be prepared by a casino supervisor to authorize the preparation of a credit slip for the removal of gaming chips from gaming tables to the cashier's cage. The access to this form shall, prior to use, be restricted to casino supervisors. The signature of the casino supervisor or his assistant must be on this form using the full name in a legible manner. A credit slip shall be prepared to authorize the removal of gaming chips from gaming tables to the cashier's cage. The signatures of the casino supervisor or his assistant, and dealer or boxman assigned to the gaming table from which the gaming chips are to be removed, must be on the original credit slip using the full name in a legible manner along with work permit number. The credit slip must be signed by the security personnel, or employee responsible for delivering the credit to the cage, at the time the funds are exchanged. The original credit slip, along with the gaming chips to be removed from the table, shall be hand carried by security or another person whose function is to transport credits to the cashier's cage. Persons designated to transport credits may not be employed in the cage or table games areas. The cashier must count the amount of the credit and certify by signature that the table has returned the amount of the credit indicated. The person carrying the credit must also sign to certify that the credit was received at the cashier's cage. The duplicate credit slip is to be deposited in the drop box by the dealer where it will appear in the counting room with the cash receipts. The original credit slip shall remain in sequence at the cashier's cage or location where they are kept to provide a means of reconciliation of credit slips for the gaming establishment.

Source: *Miss. Code Ann. § 75-76-51*

*Rule 8.5 Procedure for Closing Gaming Tables.*

At the end of each day, or after each shift if the drop boxes are collected by shift, or whenever gaming activity at a table is concluded, the gaming chips remaining at the gaming table shall be counted by the dealer or boxman assigned to the gaming table and observed by a casino supervisor, or his assistant, assigned to the gaming table. The gaming chips counted shall be recorded on a table inventory slip by the casino supervisor or his assistant assigned to the gaming table. The table inventory slip shall be a three-part form and on the original copy of the slip ("closer") and the duplicate of the slip ("opener"), the casino supervisor shall record the date and identification of the shift ended, the game and table number, the total value of each denomination of gaming chips remaining at the gaming table, and the total value of all denominations of gaming chips remaining at the gaming table. Signatures attesting to the accuracy of the information recorded on the table inventory slips at the time of the shift's end shall be of the dealer or boxman or outgoing supervisor and the incoming casino supervisor or his assistant assigned to the gaming table. The original closer shall be deposited by the dealer in the drop box attached to the gaming table immediately prior to the closing of the table, the first copy shall be deposited in the oncoming drop box, and the second copy opener shall be forwarded to the accounting department for later verification. The gaming chips remaining at the table shall be placed in a container which shall then be locked if the table is closed. The accounting department shall be responsible for daily verification of the opener with the closer of the preceding day. Any discrepancy must be immediately reported to the licensee who shall investigate and take any appropriate action.

(Adopted: 04/21/1994; Readopted: 04/29/1995; Amended: 09/25/2002; Amended: 01/22/2003; Amended: 06/25/2003; Amended: 06/15/2006.)

Source: *Miss. Code Ann. § 75-76-51*

**Part 7 Chapter 9: SLOT MACHINES**

*Rule 9.1 Minimum Standards of Internal Control for Slot Machines.*

The following sections are the minimum procedures or standards, prescribed by the Executive Director for adoption by each licensee and which apply to slot machines, prescribed in order to exercise effective control over the internal fiscal affairs of the licensee and to assure the accurate calculation of gross revenue. These procedures reflect the minimum required to be adopted by a licensee. Any variations must be comparable or must exceed the following criterion. All procedures or changes to approved internal control procedures must be approved by the Executive Director prior to implementation.

Source: *Miss. Code Ann. § 75-76-51*

*Rule 9.2 Jackpot Payout and Hopper Fill Slips.*

(a) Whenever a patron wins a jackpot that is not totally and automatically paid directly from the slot machine, a jackpot payout slip shall be prepared. Whenever a Slot Attendant or Slot Supervisor requests a hopper fill, a hopper fill slip shall be prepared.



(b) When voiding a jackpot payout or hopper fill transaction, all parts of the slip shall indicate the reason for the void and shall be marked "VOID" diagonally. The signature of the preparer and the Slot Supervisor voiding the slip must also be written diagonally. Voided jackpot payout and hopper fill slips must be forwarded to Accounting for retention and accountability. Voided adjustments in the computerized system shall be performed by Accounting.

(c) Manual jackpot payout and hopper fill slips shall be sequentially pre-numbered forms. Each series of jackpot payout or hopper fill slips shall be a three-part form and shall be inserted in a dispenser that shall be locked. The dispenser will permit an individual slip in the series and its copies to be written upon simultaneously while still in the dispenser and will discharge the original and duplicate while the triplicate remains in the dispenser. The receipt of manual jackpot payout and hopper fill slips from the printing company must be recorded in a log, and Accounting must reconcile the log to the purchase invoice. The unused supply of forms will be locked and secured with access limited to Security or Accounting employees. Security or Accounting employees must be responsible for placing and removing the forms in/out of the dispenser. All parts of each series for manual jackpot payout or hopper fill slips, used and unused shall be accounted for by Accounting employees.

(d) Computer generated jackpot payout and hopper fill slips shall be a two-part sequentially numbered form. The original and its copies are printed simultaneously. All information is stored in a machine-readable form that is not susceptible to change or removal. All parts of each series for computerized jackpot payout or hopper fill slips shall be accounted for by Accounting employees.

(e) Short pays, regardless of amount, must be paid from a short pay slip. The short pay slip must be completed to include the date, time, machine number, dollar amount of the payout (alpha and numeric), reason, and signature of the Slot Attendant and verifier for such payments.

Source: Miss. Code Ann. § 75-76-51

*Rule 9.3 Jackpot Payout Procedures.*

(a) Payouts for jackpots must be authorized by a Slot Attendant or a Slot Supervisor actually observing the jackpot combination on the machine.

(b) The information which shall be included on every jackpot payout slip and in all stored data for each jackpot payout is the:

1. casino name and location;
2. number of the slot machine on which the jackpot was registered;
3. preprinted or concurrently-printed sequential number of the jackpot payout slip;
4. total amount of the jackpot;
5. winning combination of reel characters constituting the jackpot or the type of other payout (e.g. cancel credit, short pay, bonus, etc.);
6. date and time;
7. amount to be paid;
8. slot booth number, if applicable, from which the amount is to be paid; and
9. signature lines.

(c). All remuneration paid to a patron as a result of winning a jackpot shall be disbursed by the cashier directly to a Slot Attendant or Slot Supervisor who shall transport the winnings directly to the patron.

(d). Signature Requirements:

1. Computerized Jackpot Payouts.

Signatures, attesting to the accuracy of the information contained on the original and duplicate of the jackpot payout slip, shall be of the Slot Attendant or Slot Supervisor who prepared the payout slip and a cage cashier. A verifier must attest to by signature any Jackpot payouts in excess of \$1199.99. A manager must attest to the payout by signature if the amount of the jackpot is in excess of \$5,000.00. The Commission must be notified prior to payments of a jackpot of \$100,000.00 or greater. A Manager is defined as a Slot Supervisor, Slot Manager, Slot Director, Casino Shift Manager, Vice President of Slots, Assistant General Manager and/or General Manager.

(Amended: 03/15/2007.)

Supplemental slot payout procedures may be used for jackpot payouts less than \$1,200. This procedure will not apply to system override and manual procedures. For supplemental payout procedures where the licensee does not print the jackpot payout slip prior to payment, a payout request slip must be utilized. The payout request slip must contain the same information required on the jackpot payout slip. The payout request slip must be signed by the Slot Attendant and a verifier witnessing the payout. Procedures for replenishment of supplemental jackpot payout funds must comply with all other requirements of this regulation. Licensees utilizing payout request slips must attach the payout request slip to the duplicate copy of the jackpot payout slip.

2. Override Jackpot Payouts. System overrides must be authorized by a Slot Supervisor or Slot Manager. All override jackpot payout slips shall be marked in a way that identifies the payout as an override. Signatures attesting to the accuracy of the information contained on the original and duplicate of the override payout slip shall be of the Slot Supervisor or Slot Manager who prepared the override payout slip and cage cashier. A verifier witnessing the jackpot payout to the patron must sign the original override jackpot payout slip.

3. Manual Jackpot Payouts. Manual jackpot payout slips must be authorized by a Slot Supervisor or Slot Manager. All manual jackpot payout slips shall have the reason for the manual payout. Signatures attesting to the accuracy of the information contained on the original, duplicate and triplicate copies of the manual jackpot payout slip shall be of the cage cashier who prepared the payout slip and Slot Supervisor or Slot Manager. A verifier witnessing the payout to the patron must sign the original manual jackpot payout slip.

(e) The original jackpot payout slip shall be deposited into a locked box only accessible by Accounting. The duplicate jackpot payout slip shall be retained by the cashier for end of shift reconciliation and forwarded to Accounting daily. The triplicate copy of the manual jackpot payout slip will be retained in the locked dispenser to be removed by Accounting or Security personnel.

Source: *Miss. Code Ann. § 75-76-51*

*Rule 9.4 Hopper Fill Procedures.*

(a) Hopper fills for slot machines must be authorized by a Slot Attendant or Slot Supervisor.

(b) The information which shall be included on every hopper fill slip and in all stored data for each hopper fill to be distributed is the:

1. casino name and location;

2. number of the slot machine on which the hopper fill registered;
3. preprinted or concurrently-printed sequential number of the hopper fill slip;
4. date and time;
5. denomination of tokens/coins;
6. amount of tokens/coins;
7. signature lines.

(c) Signature Requirements:

1. Computerized Hopper Fill Slips.

The signatures of the cashier preparing the funds and Slot Attendant or Slot Supervisor receiving the funds shall be recorded on the original and duplicate hopper fill slip. All tokens/coins distributed to a slot machine shall be transported directly to the slot machine along with the original hopper fill slip. A verifier shall observe the deposit of the tokens/coins into the slot machine and the closing and locking of the slot machine by the Slot Supervisor or Slot Attendant before signing the original copy of the hopper fill slip.

2. Override Hopper Fill Slips.

System overrides must be authorized by a Slot Supervisor or Slot Manager. All override hopper fill slips shall be marked in a way that identifies the fill as an override. Signatures attesting to the accuracy of the information contained on the original and duplicate of the override payout slip shall be of the Slot Supervisor or Slot Manager who prepared the override hopper fill slip and cage cashier. A verifier, witnessing the deposit of the tokens/coins into the slot machine and the closing and locking of the slot machine, must sign the original override hopper fill slip.

3. Manual Hopper Fill Slips.

Manual hopper fill slips must be authorized by a Slot Supervisor or Slot Manager. All slips shall have the reason for the manual hopper fill. Signatures attesting to the accuracy of the information contained on the original, duplicate and triplicate copies of the manual hopper fill slip shall be of the cage cashier who prepared the hopper fill slip and Slot Supervisor or Slot Manager. A verifier, witnessing the deposit of the tokens/coins into the slot machine and the closing and locking of the slot machine, must sign the original manual hopper fill slip.

(d) The duplicate hopper fill slip shall be retained by the cashier for end of shift reconciliation and forwarded to Accounting daily. The original hopper fill slip shall be deposited into a lock box accessible by Accounting. The triplicate copy of the manual hopper fill slip will be retained in the locked dispenser to be removed by Accounting or Security personnel.

(e) The machine entry authorization log shall be reviewed by the Slot Attendant or Slot Supervisor, who will alert a Slot Mechanic to inspect the slot machine if the entries in the log indicate a consistent malfunction problem. The Slot Mechanic who participates in hopper fill transactions shall inspect the slot machine and determine if the empty hopper resulted from a machine malfunction.

Source: *Miss. Code Ann. § 75-76-51*

*Rule 9.5 Reserve Fill Cabinet (“Compartment”) Procedures.*

(a) The reserve fill cabinet (“compartment”) is a secured area, separately keyed from the drop cabinet, for storing reserve fill bags. No more than two fills shall be in the compartment at any given time. Compartment fill procedures are not allowed for manual and system overrides. When

a slot machine requiring a hopper fill has a compartment, the Slot Attendant or Slot Supervisor will prepare a two-part request for hopper fill slip with the following information:

1. machine number;
2. denomination;
3. date and time;
4. dollar amount of fill required;
5. signature of Slot Attendant or Slot Supervisor; and
6. signature of verifier.

The duplicate request for hopper fill slip will be maintained in the reserve fill cabinet and the original request for hopper fill slip will be secured until replenishment. If the computerized slot system records and generates a report indicating the employee's name, date, time and purpose for each opening of the reserve fill cabinet door, and the computerized slot system initiates and validates the fill transaction and prints the dollar amount of the fill on the hopper fill slip, then the transfer of funds from the reserve fill cabinet to the slot machine hopper may be performed by one Slot Attendant or Slot Supervisor without the use of a request slip.

(b) At least once a day, requests for hopper fills will be processed. The cashier will receive a two-part hopper fill slip. The cage cashier preparing the funds and the Slot Attendant or Slot Supervisor must sign the two-part hopper fill slip(s) before the funds are disbursed. The duplicate copy of the hopper fill slip(s) and the original request for hopper fill slip(s), if applicable, will be retained by the cashier for balancing. The original hopper fill slip(s) and the funds will be transported to the appropriate reserve fill cabinet(s). The verifier shall observe the placement of the funds in the compartment and the locking of the compartment before signing the original hopper fill slip(s). The original hopper fill slip(s) and the duplicate request for hopper fill slip(s), if applicable, shall be deposited into the locked Accounting box by the Slot Attendant or Slot Supervisor.

*Source:* Miss. Code Ann. § 75-76-51

*Rule 9.6 Miscellaneous Slot Requirements.*

(a) Every licensee's written system of internal controls shall include procedures that will ensure that all gaming devices are accurately communicating all activity and inactivity of the gaming devices with the computer monitoring system, as required by Mississippi Gaming Commission Regulation IV., Section 5. (g). System communication testing shall be performed any time gaming devices are newly installed, converted, upgraded, or moved and any time communications with the computer monitoring system have been interrupted.

(b) Slot analysis reports, which compare actual hold to theoretical hold, are prepared on at least a monthly basis by the Accounting department for each slot machine. Any variances +/-4% must be investigated and findings documented. These records must be maintained at least three years and shall provide data on both month-to-date and year-to-date basis. Actual hold is equal to the dollar amount of win divided by the dollar amount of coin-in. Accurate theoretical hold worksheets must be maintained for all slot machines.

(c) Before machines are permanently or temporarily removed from the gaming floor, the licensee must obtain prior approval from the Commission for the drop and removal of the slot machines. The hopper contents will be bagged and labeled by a Slot Mechanic, under surveillance coverage, with Security present. The bagged hopper load will be placed inside the hopper for removal by the drop team or transported directly to the count room under surveillance coverage

with Security escort. (NOTE: The hopper load can remain in the slot machine if the slot machine is being relocated on the floor.) Hopper loads will be counted and recorded by at least three count team members with appropriate documentation being routed to the Accounting department for proper recording. The contents of reserve fill cabinets are returned to the cage by a Slot Attendant or Slot Supervisor, with appropriate documentation. Permanent removal of a machine from the floor requires an adjustment to the general ledger to reduce the initial hopper load asset account by the dollar amount of the initial hopper load asset amount. Additionally, the dollar amount of the initial hopper load is not included in gross gaming revenue. The difference between the hopper contents and the initial hopper load dollar amount are adjustments to the slot revenue. Once the drop has been completed, the slot machine can be moved.

(d) Records shall be maintained for each slot machine which indicates the date the machine was placed into service, the date the machine was removed from operation, the date the machine was placed back into operation, and any changes in machine numbers and designations.

(e) A log shall be maintained inside of each slot machine to record all entries into the cabinet, in addition to a player tracking system that automatically records this information. Information is to include employee's name, unique employee identification number, date (month, day and year) and reason for entry to the machine. These logs shall be monitored regularly by the slot managers/supervisors.

(f) EPROM duplication may only be performed by a licensed manufacturer or a licensee who has received Commission approval to duplicate EPROMs. The EPROMs of some manufacturers may be protected by federal copyright laws. The licensee should ensure that all applicable laws are complied with when duplicating EPROMs. Slot machines must have the CPU boards locked.

(Amended: 03/15/2007.)

(g) Access to the master program EPROMs and EPROM duplicator equipment shall be secured in a locked cabinet and the key to the cabinet is maintained under log control at the casino cage or in the electronic key box. Procedures must be developed and implemented for copying from the master game program EPROM to another EPROM, verification of duplicated EPROMs prior to being offered for play, and destruction, as needed, of EPROMs with electrical failures. These procedures must take place in an area that is monitored by surveillance utilizing a PTZ camera. Surveillance will be required to maintain tapes of all active duplicating processes for a period of thirty (30) days. Records must be maintained documenting these procedures. The records must include the following information:

1. date;
2. slot machine number in which a duplicated EPROM is placed. Additionally, indicate the slot machine number of the source EPROM when duplicated from an EPROM of another slot machine;
3. manufacturer;
4. program number;
5. personnel involved;
6. reason for duplication; and
7. disposition of any permanently removed EPROM.

(h) For duplicated EPROMs, labels must be printed containing all original information from the manufacturer, in addition to a unique designation that the EPROM is a duplicate.

*Source: Miss. Code Ann. § 75-76-51*

*Rule 9.7 Slot Machine Wagering Voucher Procedures.*

(a) Slot Machine Wagering Vouchers are bar coded vouchers created through a cashless wagering system which allows collective hardware, software, communications technology, and other associated equipment to facilitate wagering. The bar coded voucher can be redeemed at the casino cage, voucher redemption kiosk, or inserted into a compatible slot machine. Vouchers redeemed must be validated through the cashless wagering system prior to payment.

(b) Each voucher must contain the following printed information:

1. licensee name, city and state;
2. slot machine number or printer station number, as applicable;
3. date and time of issuance;
4. alpha and numeric dollar amount;
5. sequence number;
6. validation number;
7. second printing of validation number on the leading edge of the voucher;
8. unique identifier (e.g. bar code);
9. transaction type or other acceptable method of differentiating voucher type; and
10. expiration period or date when the voucher will expire.

(c) In the event of system failure, vouchers up to \$500 may be approved for payment. This approval must be attested to by signature of the supervisor and the patron on the ticket. Supervisory personnel must review the transaction history from the slot machine or any other similar method to verify the validity of the voucher. Vouchers paid during a period of system failure are written/stamped with a paid designation, initialed with unique identification number by the cashier and noted with the date paid. Vouchers paid without system validation must be immediately entered into the cashless wagering system when the system resumes operation.

(d) Jackpots for cashless wagering games that are \$1,200 or greater will be paid according to Mississippi Gaming Commission Regulation VII, N. Section 3. For cashless wagering games that print a jackpot receipt, the jackpot receipt must accompany the jackpot payout slip for payment.

*Source: Miss. Code Ann. § 75-76-51*

*Rule 9.8 Accounting Procedures for Slot Machines.*

(a) Maintenance of the slot machine computer data files shall be performed by the Accounting department. Alternatively, maintenance of the theoretical hold percentage for each slot machine may be performed by slot supervisory employees if sufficient documentation is generated and it is randomly verified by the Accounting Department. Note: Slot machine computer data files include updates to reflect additions, deletions or movements of slot machines, the theoretical hold percentages, coin-in amounts, drop amounts, payout amounts, fill amounts and win amounts for each slot machine. The slot audit shall be conducted by someone independent of the slot operations. Accounting/Audit employees shall review exception reports for all computerized slot systems on a daily basis for propriety of transactions and unusual occurrences. All noted improper transactions or unusual occurrences are investigated with the results documented.

(b) The Accounting department shall daily:

1. Review all system jackpot payout and hopper fill override slips, manual jackpot payout and hopper fill slips, and voided transactions for proper completion.

2. Reconcile the hopper fill slips to each slot machine and hopper fill computer generated report.
  3. For licensees that utilize a computerized system that monitors slot reserve fill cabinet door openings and a slot computerized system that initiates a hopper fill slip, and as such, only one person is involved in transferring funds from the slot reserve fill cabinet to the slot machine hopper, the following procedures must be performed daily:
    - i. Reconcile the total dollar amount of slot machine hopper fill slips to the total dollar amount of transfers recorded on the cage/booth accountability documentation for funds transferred from the cage/booth to the slot reserve fill cabinets.
    - ii. Review the appropriate system reports to confirm that two individuals were involved in placing funds into the slot reserve fill cabinet as a result of a slot machine hopper fill.
    - iii. Reconcile the jackpot payout slips to the slot machine and jackpot payout computer generated report.
  4. Verify that the correct total for jackpot payouts and hopper fills are recorded in the accounting records used to prepare the win or loss for each slot machine.
  5. For weigh scale interface systems and currency counter interface systems, for each drop period accounting/audit employees shall compare the totals on the weigh tape/currency counter report to the system-generated weigh/currency count, recorded in the slot statistical report. Discrepancies should be resolved prior to generation/distribution of slot count reports and the slot analysis report. Each slot machine shall maintain its separate accountability; and variances between the physical count and the metered counts must be investigated immediately. Explanation for these variances must be documented and retained.
  6. Reconcile issued, voided, and redeemed tickets to the unpaid and expired tickets dollar amount using the reports produced by the system. Investigate and document any variance noted.
  7. Calculate and record the win or loss for each slot machine.
  8. Explain and report for corrections apparent meter malfunctions to the slot department and all significant differences between meter readings and amounts recorded. Meter readings shall only be altered to correct amounts that were determined to be unreasonable. When meter amounts are corrected, indicate the correct amount in the appropriate on-line slot metering system report.
  9. Report to the Slot department slot machines which are suspected of not communicating properly with the computer monitoring system.
  10. The Slot department shall respond in writing no later than 72 hours for all exceptions reported by the Accounting department.
  11. Compare for agreement all copies of the jackpot payout slips, hopper fill slips, and appropriate request slips with each other and to triplicates or stored data. Review for the appropriate number of signatures. On a sample basis, review the propriety of signatures.
  12. Account for by series number all jackpot payout and hopper fill slips.
- (c) Accounting shall monthly:
1. Perform an audit of at least 10% of all compartments to ensure the proper number of hopper fill bags is accounted for. Any request for hopper fill slips left in the compartments must be checked for timeliness.

2. Shall document and reconcile gross revenue from the accounting records to Monthly Revenue Report and the slot analysis report by denomination. Variances shall be investigated and documentation must be maintained for all adjustments.
- (d) On a quarterly basis, Accounting shall perform procedures to verify that the online slot metering system is transmitting, receiving, and recording data from the slot machines properly for the following meters, as applicable to the operation. Coin-In (includes the coin-in by payable for multi-game and multidenomination/multi-game slot machines, and the coin-in by wager type for machines which have a difference in theoretical payback percentage which exceeds 4 percent for a single-coin play versus maximum-bet play):
1. Electronic Promotion Meters (cashable in, cashable out, noncashable in and non-cashable out)
  2. Wagering Account Transfer In
  3. Wagering Account Transfer Out
- (e) These procedures will include at a minimum the following:
1. Select a sample of at least 3 percent of the slot machines connected to the online slot metering system. Each slot machine interfaced with the on-line slot metering system should be reviewed at least once during a two-year calendar period. Maintain a record for each two-year calendar period indicating the date each slot machine was reviewed.
  2. For the slot machines selected, manually read and record the electronic (soft) meters.
  3. For on-line slot metering systems that read the specific value indicated on the slot machine meters, compare the slot machine meter amounts to the meter amounts per the on-line slot metering system to determine that the amounts agree. Compare the manual readings to the system-generated readings report and document all variances.
  4. For on-line slot metering systems that have their own meters, perform two readings of the slot machine meters to determine that both the system meters and the slot machine meters are incrementing by the same amount. Compare the manual readings to the system-generated readings report and document all variances.
  5. Document the results of investigations into all variances, by machine.

(Adopted: 04/21/1994; Readopted: 04/29/1995; Amended: 06/21/2001; Amended: 06/15/2006.)

*Source: Miss. Code Ann. §§ 75-76-51, 75-76-45*

## **Part 7 Chapter 10: MINIMUM STANDARDS OF INTERNAL CONTROL FOR CARD**

### **GAMES**

#### *Rule 10.1 Minimum Standards Required for Card Games*

This regulation prescribes the minimum standards for adoption by each licensee and which apply to card games such as poker, bridge, whist, solo, and panguingui.

- (a) The procedure for the collection of card game drop boxes and the count of the contents thereof will comply with all procedures applicable to the table game drop boxes. The card games drop boxes shall be removed on the same schedule with the table games and the contents therein counted on the same schedule. Removal of the boxes at any other time is prohibited.
- (b) A person functioning as a supervisor of equal or higher authority than those being supervised shall be present at all times the card room is operating.



(c) Card table banks shall be used only for the purposes of making change or handling player buy-ins. It is to be physically located in the table tray (a receptacle used to hold the card table bank) on the card table. The card room bank is to be used only for the purposes of issuance and receipt of shill funds, the maintenance of card table banks used in card games, and the purchase and redemption of chips by players. All advances to and winnings or a shill shall be utilized only for wagering in card games or turned into the card room bank at the conclusion of play.

(d) Transfers between the card table banks and the card room bank, or casino cage if a card room bank is not used, must be authorized and verified by the supervisor, card room dealer and the runner.

(e) If applicable, transfers between the card room bank and the casino cage are to be properly authorized and documented by the card room supervisor, cashier and the runner.

(f) When the card table bank is to be replenished with chips from the card room bank, all cash or chips to be transferred must be counted down by the dealer in public view on the card table and verified by the person who transported the cash or chips (runner) and the dealer.

(g) Rake-off, which is a percentage of the pot taken by the licensee for maintaining or dealing a game, shall only be pulled from the pot by the dealer in an obvious manner after call or at the completion of the hand. The rake-off shall be placed in a designated rake circle and shall remain there until a winner is declared and paid. The rake-off shall then be deposited into the drop box. The rake circle must be clearly visible to all players.

(h) All time buy-ins, which is a charge to a player determined on a time basis by the licensee for the right to participate in a game, or any other fees charged to a patron shall be immediately placed in the drop box.

(i) No cash or chips received for the sale of stakes shall be commingled with any rake-offs or other compensation received by the licensee from the players for the right to play. Stakes are the funds with which a player enters the game.

(j) Playing cards, both used and unused, are to be maintained in a secure location to prevent unauthorized access and to reduce the possibility of tampering.

(k) The amount of the main card room bank is to be counted, recorded and reconciled on, at least, a daily basis. At the end of the shift the amount of the table bank is counted, recorded, and reconciled by at least two persons with such count being attested to by signatures on the check-out form.

(l) Issuance of shill funds shall have the written approval of the supervisor, shill returns shall be recorded and verified, and the replenishment of shill funds is to be documented.

(Adopted: 04/21/1994; Readopted: 04/29/1995)

*Source: Miss. Code Ann. § 75-76-51*

## **Part 7 Chapter 11: CREDIT PLAY**

### *Rule 11.1 Minimum Acceptable Credit Procedures*

(a) The following standards represent minimum acceptable credit procedures. For any computer applications, alternate documentation and/or procedures which provide at least the level of control described by these standards will be acceptable.

1. The following information will be the minimum recorded for patrons who will have credit limits or be issued credit greater than \$1,000 (excluding payroll checks, cashier's check and traveler's checks):

- i. Patron's name,
  - ii. current address, and
  - iii. signature,
  - iv. identification verifications,
  - v. authorized credit limit,
  - vi. documentation of credit history checks by management to approve credit limits, and
  - vii. credit issuances and payments.
2. Prior to extending credit, the patron's credit documentation is examined to determine the following:
    - i. Properly authorized credit limit,
    - ii. whether remaining credit is sufficient to cover the advance, and
    - iii. identity of the patron.
  3. Credit extensions over a specific dollar amount are authorized by personnel designated by management.
  4. Proper authorization of credit extension over 10 percent of the previously established limit or \$1,000, whichever is greater, is documented.
  5. The job functions of credit authorization, such as establishing the patron's credit worthiness, and credit extension, as an example monitoring patron's credit play activity, are segregated for credit extensions to a single patron of \$10,000 or more per day. This limit applies whether credit was extended in the pit or the cage.
  6. If personal checks, cashier's checks or payroll checks are cashed, the cage cashier will:
    - i. Examine and record at least one item of patron identification such as a driver's license,
    - ii. record of bank number or credit card number (not required for payroll checks and cashier's checks), and
    - iii. make a reasonable effort to verify business authenticity of payroll checks.
  7. Counter checks are not accepted by licensee unless the information required by item #1 has been documented and forms are pre-numbered.
  8. When counter checks are accepted, the following will be included on the check:
    - i. The patron's name and signature,
    - ii. the dollar amount of the check, (both alpha and numeric),
    - iii. bank account number,
    - iv. date of issuance, and
    - v. signature or initial of the individual approving the check.
  9. When travelers checks are presented: The cashier must comply with examination and documentation procedures as required by the issuer and checks in excess of \$100 denominations are not cashed unless at least one form of identification is examined and recorded.
  10. A reasonable effort must be made to collect outstanding casino accounts receivable.
  11. If outstanding credit instruments are transferred to collection agencies or other collection representatives, a copy of the credit instrument is returned or payment is received.
  12. A detailed listing is maintained to document all outstanding credit instruments which have been transferred to others as indicated above.

13. The above listing is prepared or reviewed by an individual independent of credit transaction and collections thereon.

14. All payments received on outstanding credit instruments are permanently recorded on the licensee's records.

15. When partial payments are made on credit instruments, they are evidenced by a multi-part receipt (or another equivalent document) which contains:

- i. The same preprinted number on all copies,
- ii. patron's name,
- iii. date of payment,
- iv. dollar amount of payment (or remaining balance if a new marker is issued),
- v. signature or initials of individual receiving payment, and
- vi. number of marker on which payment is being made.

16. Access to the credit information, outstanding credit instruments and written off credit instruments is restricted to those positions which require access and are so authorized by management.

17. All extensions of pit credit transferred to the cage and subsequent payments are documented on a credit instrument control form. Records of all correspondence, transfers to and from outside agencies, and other documents related to issued credit instruments are maintained.

18. Written-off credit instruments must be authorized in writing. Such authorization are made by at least two management officials who are from departments independent of the credit transaction.

19. The receipt of disbursement of front money or a customer cash deposit is evidenced by at least a two-part document with one copy going to the customer and one copy remaining in the cage file. The multi-part form contains the following information:

- i. Same preprinted number on all copies,
- ii. customer's name and signature,
- iii. date of receipt and disbursement,
- iv. dollar amount of deposit, and
- v. type of deposit (cash, checks, chips).

(b) Procedures are established to:

1. Maintain a detailed record by patron name and date of all funds on deposit,
2. maintain a current balance of all customer cash deposits which are in the cage/vault inventory or accountability, and
3. reconcile this current balance with the deposits and withdrawals at least daily.

(Adopted: 04/21/1994; Readopted: 04/29/1995.)

Source: *Miss. Code Ann.* § 75-76-45

#### *Rule 11.2 Cage/Vault Accountability*

(a). All transactions that flow through the casino cage must be summarized on a cage accountability form on a per shift basis.

(b). Increases and decreases to the cage inventory must be supported by documentation.

(c). The cage and vault (including coin rooms/vaults) inventories are counted by the oncoming and outgoing cashiers, or the cage personnel who have responsibility for the coin/vault room, who shall make individual counts for comparison of accuracy and maintenance of individual

accountability and recorded at the end of each shift during which activity took place. All discrepancies are noted and investigated.

(d). All net changes in outstanding casino receivables are summarized on a cage accountability form or similar document on a per shift basis.

(e). Such information is summarized and posted to the accounting records on at least a monthly basis.

(f). A trial balance of casino accounts receivable, including the name of patron and current balance, is prepared at least monthly in the case of active accounts, or quarterly in the case of inactive or written-off accounts. (A listing of written-off items at the time of write-off, and another listing of payments on items previously written-off are acceptable).

(g). The trial balance of casino accounts receivable is reconciled to the general ledger at least quarterly.

(h). In addition to internal audit standards, an individual independent of the cage, credit, and collection functions performs all of the following at least quarterly:

1. Ascertain compliance with credit limits and other established credit issuance procedures,
2. Randomly reconcile outstanding balances of both active and inactive accounts on the listing to individual credit records and physical instruments,
3. Examine credit records to determine that appropriate collection efforts are being made and payments are being properly recorded, and
4. For a minimum of seven (7) days per each month partial payment receipts are subsequently reconciled to the total payments recorded by the cage for the day and are numerically accounted for.

(i). Procedures are established to:

1. Maintain a detailed record by patron name and date of all funds on deposit,
2. maintain a current balance of all customer cash deposits which are in the cage/vault inventory or accountability, and
3. reconcile this current balance with the deposits and withdrawals.

(Adopted: 4/21/1994; Readopted: 4/29/1995.)

Source: *Miss. Code Ann. § 75-76-45*

## **Part 7 Chapter 12: KEY CONTROLS**

### *Rule 12.1 General Key Controls.*

Every licensee's written System of Internal Controls shall include procedures that, at a minimum, require the following:

- (a) No one employee can have access to more than one key to a dual key lock box.
- (b) Employees having control over a key which accesses a sensitive or restricted key lock box must maintain control over their key at all times.
- (c) Non gaming keys must be maintained in a separate key lock box. The licensee is prohibited from commingling sensitive (dual access) keys with non gaming keys.

(d) Errors on key control documents must be lined through. Two gaming employees involved in the gaming transaction must initial with their legible unique identification number verifying the correction.

(e) All count room keys, count room key box key(s), table games and card games drop box storage rack keys, currency acceptor storage rack keys, table games and card games drop box release keys, currency acceptor door keys, table games and card games drop box contents keys, currency acceptor contents keys, slot machine coin drop cabinet keys and any duplicate keys are to be controlled in such a way that access to the full or empty table games and card games drop boxes, currency acceptor boxes, slot machine coin drop cabinet or to the count rooms requires at least three (3) employees representing different departments and segregated functions. If these keys are maintained in an automated key box, two (2) employees representing different departments and segregated functions will be required to access the full or empty table games and card games drop boxes, currency acceptor boxes, slot machine coin drop cabinet or to the count rooms. If the licensee maintains a key box in the count room that contains keys required to perform the count of gaming revenues, the Count Team Manager, Count Team Supervisor or Count Team Lead and Security are required to be present to check out the key to the count room door and key(s) to the count room key box. If the licensee maintains the keys required to count gaming revenues in a manual or automated key box, documentation must be completed to evidence that three count team members are present when the keys are issued and returned for the count of the gaming revenues. The count team member(s) must accompany these keys until the time of their return.

(f) If access to the table games and card games drop box release keys, currency acceptor door keys, table games and card games drop box content keys, currency acceptor content keys and slot machine coin drop cabinet keys at other than scheduled drop and count times is required, three employees from separate departments with segregated functions, one of which must be a member of management, must be present at the time the key(s) are issued. All three are required to accompany the keys until the time of their return. This access includes, but is not limited to, emergency drops, patron disputes, etc. Surveillance shall be notified prior to the removal of the drop box from the table game and card game, currency acceptor box from the slot machine or coin bucket from the slot machine coin drop cabinet and Surveillance shall monitor and record the entire process. Surveillance shall record in a log or journal all such access, and the table game number, card game number or slot machine number, as well as any unusual activity noted. If the licensee determines an emergency drop of the table game, card game, currency acceptor box or slot machine coin drop cabinet is necessary, a secondary written notification to the Commission is required, pursuant to Mississippi Gaming Commission Regulation VII, L. Section 1a. All such access shall be documented on the key control log. At a minimum, such documentation must include the date (month, day and year), time, reason for access, table game, card game or slot machine number, printed name and signature of the participating employees.

(Adopted: 12/20/2007.)

*Source: Miss. Code Ann. § 75-76-45*

*Rule 12.2 Key Inventory and Key Access List.*

(a) All key box locations that contain sensitive and restricted keys must maintain a current and accurate key inventory and key access list. Sensitive keys are defined in Section 3 of this

regulation and restricted keys are those additional keys relative to gaming operations restricted by the Slot, Table Games, Cage, Card Games and Keno departments.

(b) At a minimum, the key inventory list shall include, but is not limited to, the following:

1. Key tag/ring number,
2. Quantity of key(s) on each key tag/ring,
3. Key(s)' name, and
4. Key(s)' description (must match the physical markings on the key(s)).

(c) Access to sensitive and restricted keys is limited to only those employees specified in writing. The custodian for all key box locations must maintain an accurate key access list that contains the names and job titles of those employees authorized to access keys or signature cards for each employee with signatory authority for these keys. The key access list and/or signature cards must be on file at the key box location.

(d) The licensee's System of Internal Controls must indicate which employees have the authority to make changes, deletions, and/or additions to the key inventory and key access lists.

(e) A documented physical inventory must be conducted by the key box custodian on a per-shift basis for sensitive and restricted key lock boxes utilized during the shift to ensure all keys are accounted for. The documented inventory will be forwarded to Accounting on a daily basis for review. The duplicate key box inventory shall be conducted in accordance with Section 12(d) of this regulation.

(f) The physical inventory logs will be forwarded to the Accounting department where they will be reviewed for completeness. All discrepancies will be investigated, with the results of the investigation documented.

(g) On a quarterly basis, an independent department (i.e. Accounting, Compliance, etc.) will conduct a documented physical inventory of sensitive and restricted key lock box locations. All discrepancies will be investigated, with the results of the investigation documented.

(Adopted: 12/20/2007.)

*Source: Miss. Code Ann. § 75-76-45*

*Rule 12.3 Minimum Standards for Sensitive (Dual Access) Key Control.*

(a) The following sensitive keys and any other keys deemed necessary by the Commission must be maintained, at a minimum, in a dual lock key box, which is securely attached to an area approved by the Commission. One access key to the dual lock box is maintained by the Custodian on duty and the other is maintained by Security. Both keys are required to open the dual lock key box. The Custodian is responsible for ensuring only authorized employees are allowed to check out and check in these keys, by verifying the employee's authority listed on the key access list or signature card. All keys must be immediately returned to the dual lock key box once the employee has completed the task, the keys were originally checked out for:

1. Soft count room key(s);
2. Hard count room key(s);
3. Key(s) to key lock boxes in the soft count room;
4. Weigh Scale Calibration key;
5. Table and Card Games' drop box release key(s);
6. Currency acceptor door key(s);
7. Table and Card Games drop box contents key(s);

8. Currency acceptor contents and extractor unit key(s);
9. Storage rack keys for currency acceptors;
10. Storage rack keys for Table and Card Game drop boxes;
11. Slot machine coin drop cabinet key(s);
12. Key(s) to any secured area where spare or broken drop boxes (containing locks) are stored;
13. Card and dice storage area keys;
14. Locked dispensing machine key where controlled manual documents are dispensed;
15. Progressive controller key (linking two or more progressive electronic gaming devices);
16. EPROM duplicator storage cabinet key;
17. Key(s) to sensitive computer hardware in the keno area;
18. Key(s) to the keno locked ticket box;
19. Key(s) to keno master panel;
20. Key(s) to keno microfilm machine; and
21. Front door and control panel keys used to manually access the automated key box, if applicable.

(b) All sensitive key locks must be uniquely keyed.

(Adopted: 12/20/2007.)

*Source: Miss. Code Ann. § 75-76-45*

*Rule 12.4 Key Control Logs.*

(a) All key lock boxes that contain sensitive and restricted keys are controlled through restricted access and key control logs, which are completed (ditto marks, etc. are not allowed) every time a key is checked out and in. Before a key can be issued, the employee issuing the key must verify that the employee requesting the key has authority to access the key. The key control log shall include, but is not limited to, the following:

1. Date of issuance (month, day and year);
2. Time of issuance;
3. Signature of employee receiving the key(s) (The employee signing the key control log should be the individual ultimately receiving the key.);
4. Key tag/ring number(s);
5. Reason for removal of key(s) (i.e., perform slot drop, etc.);
6. Signature of employee issuing the key(s);
7. Signature of employee witnessing the issuance of key(s) and/or escorting the key(s);
8. Date of return (month, day and year);
9. Time of return, and
10. Signature of employee returning the key(s) (All keys must be returned by the same employee who signed them out.) and signature of employee witnessing the return of key(s) and/or escorting the key(s) back to the key box location (This employee must be present and observe the key check-in procedure.); and
11. Signature of employee accepting return of the key(s).

(b) An employee is prohibited from transferring possession of an issued key(s) to another employee without proper documentation in the key control log, with the exception of an

emergency the key(s) can be returned by the employee's supervisor. The employee the key is transferred to must be authorized to obtain the key. An employee is further prohibited from maintaining possession of sensitive keys during breaks. Key(s) must be signed back in at the key box location, with documentation in the key control log.

(c) All key control logs must be completed in ink.

(d) On a daily basis, key control logs will be forwarded to the Accounting department where they will be reviewed for completeness and propriety of transactions and retained. All discrepancies will be investigated and documented.

(Adopted: 12/20/2007.)

*Source: Miss. Code Ann. § 75-76-45*

*Rule 12.5 Minimum Standards for Main Cage/Vault Key Control.*

The kiosk door key, bill validator stacker release key, currency dispenser cassette release key, bill validator stacker content key and the currency dispenser cassette content key can be maintained in a single lock key box in the Main Cage. Access to the bill validator stacker release key, currency dispenser cassette release key, bill validator stacker content key and the currency dispenser cassette content key is restricted to Cage personnel with a Security escort.

(Adopted: 12/20/2007.)

*Source: Miss. Code Ann. § 75-76-45*

*Rule 12.6 Minimum Standards for Table Games Key Control.*

(a) The table games release key to drop the table games drop box must be keyed separately from the key to access the table games drop box contents.

(b) Table Games Supervisory personnel are required to accompany table game release and drop box storage rack keys and observe the entire drop process each time the drop boxes are removed from, or placed in, storage racks. During the drop process, the employees authorized to remove drop boxes from the tables are the only employees authorized to have access to the drop box release keys. Count team members may have access to the drop box release keys during the count of soft revenue, in order to reset the drop boxes. Employees authorized to drop the table games drop boxes are not allowed access to the drop box contents keys.

(Adopted: 12/20/2007.)

*Source: Miss. Code Ann. § 75-76-45*

*Rule 12.7 Minimum Standards for Slot Key Control.*

(a) The hard count room, soft count room, slot machine coin drop cabinet key, slot machine door key, slot machine belly glass key, currency acceptor box contents key and currency acceptor door key must be keyed separately. If one hundred percent of the licensees' slot machines are coin free, the slot machine belly glass and slot machine door may be keyed the same.

(b) During the drop process, the drop team who are authorized to remove coin buckets and currency acceptor boxes from the slot machines is the only employees authorized to have access to the slot machine coin drop cabinet and currency acceptor door keys. The drop team is not allowed to access the currency acceptor contents keys.



(c) If the licensee's progressive controller key is the same as the slot machine coin drop cabinet key, the key must be maintained in the dual lock key box in the Main Cage and access to the key must be in accordance with Section 1f of this regulation, which requires three (3) separate departments be present each time the key is accessed.

(d) If a licensee utilizes currency acceptor extractor units, the controls surrounding the key(s) to the extractor units must be the same as the controls surrounding the currency acceptor content key(s).

(Adopted: 12/20/2007.)

*Source: Miss. Code Ann. § 75-76-45*

*Rule 12.8 Minimum Standards for Card Games Key Control.*

(a) The card game release key to drop either the drop box or the card game jackpot award drop box can be the same. The key to access the contents of either the drop box or the card game jackpot award drop box must be keyed separately. The card game release key for the drop box and card game jackpot award drop box must be keyed differently than the content key.

(b) Card Games or Table Games Supervisory personnel are required to accompany card game release and drop box storage rack keys and observe the entire drop process each time the drop boxes are removed from, or placed in, storage racks. During the drop process, the employees authorized to remove drop boxes from the card games are the only employees authorized to have access to the drop box release keys. Count team members may have access to the drop box release keys during the count of soft revenue, in order to reset the drop boxes. Employees authorized to drop the card games drop boxes are not allowed access to the drop box contents keys.

(Adopted: 12/20/2007.)

*Source: Miss. Code Ann. § 75-76-45*

*Rule 12.9 Minimum Standards for Manual Keno Key Control.*

(a) Keys to locked box tickets must be maintained by a department independent of the keno function.

(b) An employee independent of the Keno department is required to accompany locked box keys to the keno area and observe repairs or refills each time locked boxes are accessed.

(c) The master panel, which safeguards the wiring that controls the sequence of the game, must be locked at all times to prevent unauthorized access.

(d) The master panel keys must be maintained by a department independent of the keno function.

(e) An employee independent of the Keno department is required to accompany the master panel keys to the keno area and observe repairs, etc., each time the master panel is accessed.

(f) Microfilm machine keys must be maintained by personnel who are independent of the keno writer function.

(g) An employee independent of the keno writer function (i.e., a Keno Supervisor who doesn't write or someone independent of keno) is required to accompany microfilm machine keys to the keno area and observe each time the microfilm machine is accessed.

(h) Equipment in relation to the locked box, master panel and microfilm machine must be locked when not being accessed. All electrical connections to this equipment must be wired in such a manner so as to prevent tampering.

(Adopted: 12/20/2007.)

*Source: Miss. Code Ann. § 75-76-45*

*Rule 12.10 Minimum Standards for Computerized Keno Key Control.*

(a) All keys, including duplicates, to sensitive computer hardware in the keno area must be maintained by a department independent of the keno function.

(b) An employee independent of the Keno department is required to accompany keys to sensitive computer hardware in the keno area and observe changes or repairs each time the sensitive areas are accessed.

(Adopted: 12/20/2007.)

*Source: Miss. Code Ann. § 75-76-45*

*Rule 12.11 Minimum Standards for Count Room Key Box.*

(a) If the licensee maintains a key box in the count room, the key box and controls surrounding the key box must be the same as those required by Sections 1 and 2 of this regulation. No one other than the count team members should have access to the count room key box.

(b) At the end of the count and during breaks, the keys must be placed back into the count room key box and the key to the count room key box must be returned to the dual lock key box or automated key box.

(c) The licensee must conduct a documented key inventory, which includes the signatures of the Count Team Manager, Count Team Supervisor or Count Team Lead and Security, to ensure all keys are accounted for at the conclusion of the count and before the count team exits for a break. The documented key inventory must be forwarded to Accounting for review with the count documentation. If the licensee maintains an automated key box in their count room, a manual documented key inventory is not required. Accounting must review the reports detailed in Section 14 of this regulation to ensure an accurate key accountability.

(Adopted: 12/20/2007.)

*Source: Miss. Code Ann. § 75-76-45*

*Rule 12.12 Duplicate Key Controls.*

(a) Duplicate keys are replacement keys for broken sensitive and restrictive keys. Duplicate copies of all sensitive and restrictive keys must be maintained in a dual lock key box and must be properly secured as to limit access to authorized personnel only. The location and the controls surrounding the duplicate key box must be approved by the Commission in the licensee's System of Internal Controls.

(b) One duplicate key control log sheet must be maintained per each sensitive and restricted type key (this requirement also applies to those licensees who maintain their duplicate sensitive and restricted keys in an automated key box). The duplicate key control log will document the current issuance, receipt and inventory of all duplicate sensitive and restricted keys. When keys are removed from the duplicate key box, they must be added to the inventory of the appropriate key box location. The duplicate key control log must contain, but is not limited to, the following:

1. Date key received (month, day and year);
2. Date of issuance (month, day and year);

3. Time of issuance;
4. Key tag/ring number;
5. Number of keys made or destroyed;
6. Key name and description;
7. Signature of employee issuing key;
8. Signature of employee receiving key;
9. Reason for addition or removal of key;
10. Number of keys in beginning inventory;
11. Number of keys added or removed, and
12. Number of keys in ending inventory.

(c) An inventory of duplicate keys will be maintained in such quantity that there will always be at least one duplicate key in inventory for each type of sensitive and restricted key.

(d) On a quarterly basis, Accounting will conduct an audit of the duplicate key box documentation for completeness and accuracy. If any discrepancies are found they will be investigated and documented.

(e) Every licensee's System of Internal Controls must include procedures for the order and receipt of sensitive and restricted keys.

(Adopted: 12/20/2007.)

*Source: Miss. Code Ann. § 75-76-45*

*Rule 12.13 Broken, Lost or Missing Keys.*

(a) Sensitive and restricted keys are not allowed off the premises. If a sensitive or restricted key is inadvertently taken off premises, the Commission must be notified immediately. The key control log must also indicate the key(s) taken off premises. The determination to replace locks and/or re-key is at the discretion of the Commission.

(b) Broken keys, unidentified/obsolete keys, or keys for locks that have been changed, must be destroyed and discarded. The licensee's System of Internal Controls must include key destruction procedures for broken keys, unidentified/obsolete keys, or keys for locks that have been changed. In the event a sensitive or restricted key is broken, the System of Internal Controls must include which employee shall receive and replace the broken key, disposition of the broken key and notification to the Commission, if applicable.

(Adopted: 12/20/2007.)

*Source: Miss. Code Ann. § 75-76-45*

*Rule 12.14 Automated Key Control System.*

For licensees who utilize an automated key control system for sensitive or restricted keys, their System of Internal Controls must also include the following:

(a) The automated key system procedures must achieve a comparable level of controls and safeguards as required by the aforementioned key control regulations;

(b) Keys must be maintained on tamper proof rings to prevent unauthorized removal;

(c) A general description of the automated system and its configuration to include how access is controlled using a separate unique device to identify each employee ( e.g., Password or PIN and Hand Reader, Fingerprint, or Retina Scan, etc.);

(d) System override procedures, if applicable;

- (e) Immediate notification to the Commission in the event of a system failure and what procedures will be utilized when the system fails;
- (f) The front door and control panel keys used to manually access the automated key box must be keyed separately and maintained in a manual dual lock key box with access limited to approved personnel. Such access must be documented in the key control log;
- (g) System capabilities to provide a complete audit trail of all access, which includes but is not limited to, identity of the key box, employee, key(s), date and time out, date and time returned, unauthorized attempts to access the key box and all entries, changes or deletions in the system and the employee who did so;
- (h) Each department head is required to complete a "Key Authorization Form" detailing their employees' user access to the keys maintained in the automated key box. The "Key Authorization Form" must be provided to the automated key box administrator for entry into the automated key box system. The "Key Authorization Form" must be completed each time there is a new employee entry, modification to an existing employee's user access or deletion of an employee from the automated key box system. The automated key box administrator or the employee in charge of and/or employee(s) authorized to enter, modify and delete keys and employee access in the automated system, must be a member of management who is independent of the revenue producing department whose keys are maintained in the automated key box and this employee cannot be utilized as an escort or witness to access keys maintained in the automated key box. A key licensed employee from the Accounting department must perform a documented review after the administrator performs a key entry, modification, deletion and change in employee access in the automated system;
- (i) If the licensee's automated key box system will not allow the identification description of each key on a key ring, a manual supplemental inventory must be maintained that is signed (to include their legible unique identification number) and dated by the administrator of the automated key box;
- (j) The automated key box system must be able to provide reports detailing alarms for overdue keys, open doors, unauthorized attempts to access, user access list to ensure a proper segregation of duties and transactions are appropriate and any other unusual activities,
- (k) Back up procedures for the automated key control system must be performed daily,
- (l) Accounting must document their review of the following procedures on a daily basis:
  1. Review the automated user access report to ensure a proper segregation of duties is exercised and transactions are appropriate;
  2. Ensure all employees in the automated system are current employees with the appropriate job title to access the keys; and
  3. Review automated detail reports for propriety of transactions, overdue keys, open doors, unauthorized attempts to access and any other unusual activities.

(Adopted: 12/20/2007.)

*Source: Miss. Code Ann. § 75-76-45*

## **Title 13: Gaming**

### **Part 8: TECHNICAL STANDARDS FOR GAMING DEVICES AND ON-LINE SLOT SYSTEMS**

#### **Part 8 Chapter 1 DEFINITIONS.**

##### *Rule 1.1 General Terms*

- (a) "Alterable Media" is any form of storage device that allows the modification of the programs or data on the device during the normal operation of the gaming device. This does not include devices typically considered to be alterable but through either software or hardware means approved by the Executive Director, have been rendered unalterable.
- (b) "Cashable credits" means the monetary units displayed on a credit meter that are redeemable for cash.
- (c) "Complete Voucher": A complete voucher contains all of the required information and is of a quality that can be redeemed through the use of a barcode reader.
- (d) "Conventional ROM Device" is a device incapable of being altered while installed in a gaming device and may contain executable programs or data that are directly addressed by a processor.
- (e) "Credit meter" means a slot machine indicator that displays the number of denominational credits or monetary value available to a patron for wagering.
- (f) "Debit instrument" means a card, code or other device with which a person may initiate an electronic funds transfer or a wagering account transfer.
- (g) "Duplicate Voucher": A duplicate voucher is any reprinted complete or incomplete voucher.
- (h) "Electronic funds transfer" means a transfer of funds from an independent financial institution to a gaming device through a cashless wagering system.
- (i) "Executive Director" means the Executive Director of the Mississippi Gaming Commission and includes any duly authorized agent of the Executive Director.
- (j) "Inappropriate coin-in" is a legal coin or token of the correct denomination which has been accepted by a gaming device after the device has already accepted its maximum number of coins or when the device is in a state which normally rejects additional coins.
- (k) "Incomplete Voucher": An incomplete voucher contains, at a minimum, the voucher validation number printed across the printed leading edge, but is not of a quality that can be redeemed through the use of a barcode reader.
- (l) "Leakage Current" is any electrical current which flows when a conductive path is provided between exposed portions of a gaming device and the environmental electrical ground when the gaming device is isolated from the normal AC power ground.
- (m) "Non-cashable credits" means the monetary units displayed on a credit meter that have no cash redemption value.
- (n) "On-line slot system" means, as used in these standards, an on-line slot metering system, a cashless wagering system, or both.
- (o) "Promotional account" means an electronic ledger used in a cashless wagering system to record transactions involving a patron or patrons that are not otherwise recorded in a wagering account.

- (p) “Print Failure”: A print failure is a condition following the failed attempt to print a complete or incomplete voucher.
- (q) “Presentation Error”: A presentation error is a condition where a complete or incomplete voucher has been printed, however, the voucher is not presented to the patron for removal.
- (r) “Random Access Memory” (RAM) is the electronic component used for computer workspace and storage of volatile information in a gaming device. The term does not include memory which is used exclusively for bit-mapped video displays.
- (s) “Random Number Generator” is a hardware, software, or combination hardware and software device for generating number values that exhibit characteristics of randomness.
- (t) “Read Only Memory” (ROM) is the electronic component used for storage of non-volatile information in a gaming device. The term includes Programmable ROM and Erasable Programmable ROM.
- (u) “Replacement Voucher”: A replacement voucher is any voucher that is printed following a failed attempt to print a complete or incomplete voucher.
- (v) “Slot machine coupon” means a printed wagering instrument that has a fixed dollar wagering value that can only be used to acquire non-cashable credits.
- (w) “Slot machine payout receipt” means an instrument that is redeemable for cash and is either issued by a gaming device or as a result of a communication from a gaming device to associated equipment that cannot be accepted by gaming devices for wagering purposes.
- (x) “Slot machine wagering voucher” means a printed wagering instrument that has a fixed dollar wagering value that can only be used to acquire an equivalent value of cashable credits or cash.
- (y) “Tilt condition” is a programmed error state for a gaming device. A tilt condition has occurred when the device detects an internal error, malfunction, or attempted cheating, and it disallows further play until the error is resolved.
- (z) “Wagering account” means an electronic ledger for a cashless wagering system patron deposit account wherein only the following types of transactions are recorded:
1. Deposits and withdrawals of cash or cash equivalents at a designated area of accountability;
  2. Deposits initiated with a debit instrument;
  3. Wagering account transfers to and from gaming devices;
  4. Wagering account adjustments; and
  5. Other transactions approved by the Executive Director.
    - i. “Wagering account transfer” means a transfer of funds between a cashless wagering system wagering account and a gaming device.
    - ii. “Wagering instrument” means, as used in these standards, a representative of value, other than a chip or token, that is issued by a licensee and approved by the Commission for use in a cashless wagering system and includes slot machine coupons and slot machine wagering vouchers.

(Adopted: 09/15/2004.)

*Source: Miss. Code Ann. § 75-76-51*

## **Part 8 Chapter 2: INTEGRITY OF DEVICES**

### *Rule 2.1 Electrical Interference Immunity.*

(a) A gaming device must exhibit total immunity to human body electrostatic discharges on all player-exposed areas. For purposes of this standard, a human body discharge is considered to be an electrical potential of not greater than 20,000 volts DC discharged through a network with a series resistance of 150 to 1500 ohms shunted by a capacitance of 100 to 150 picofarads. The device must withstand this discharge repeated at one second intervals. The power source for this human body equivalent is a high-impedance source such that, in effect, the energy available for a given discharge is limited to that contained in the shunt capacitor.

(b) A gaming device may exhibit temporary disruption when subjected to electrostatic discharges of 20,000 to 27,000 volts DC through a network with a series resistance of 150 to 1500 ohms shunted by a capacitance of 100 to 150 picofarads, but must exhibit a capacity to recover and complete an interrupted play without loss or corruption of any stored or displayed information and without component failure.

(c) Gaming device power supply filtering must be sufficient to prevent disruption of the device by repeated switching on and off of the AC power. The device must not exhibit disruption when a 1 microfarad capacitor, charged to plus or minus 680 volts DC is discharged between the hot and neutral AC supply lines, at any phase from zero to 360 degrees, with a repetition rate of 30 times per second.

(d) The random number generator and random selection process must be impervious to influences from outside the device, including, but not limited to, electro-magnetic interference, electro-static interference, and radio frequency interference. A gaming device must use appropriate communication protocols to protect the random number generator and random selection process from influence by associated equipment which is conducting data communications with the gaming device.

(Adopted: 09/15/2004.)

*Source: Miss. Code Ann. §§ 75-76-99, 75-76-33*

*Rule 2.2 Coin acceptor and receiver.*

(a). Coin (or token) acceptors must be designed to accept designated coins or tokens and reject others. The coin receiver on a gaming device must be designed in a manner that minimizes the potential for use of cheating methods such as slugging, stringing or spooning.

(b). Gaming devices which are configured to accept more than 20 coins or tokens for a single play must use a coin acceptor that accepts or rejects on the basis of metal composition of the coin or token unless the denomination of the coin or token is \$.05 or less.

(c). A gaming device may not accept more than \$3,000 in coins or tokens before a wager must be made or play initiated.

(Adopted: 09/15/2004.)

*Source: Miss. Code Ann. §§ 75-76-99, 75-76-33*

*Rule 2.3 Change vouchers or coupons.*

(a) A wagering instrument inserted into a gaming device that is less in amount than that gaming device's smallest denomination shall:

1. Cause that gaming device to immediately reject the wagering instrument if that gaming device does not have an odd cents meter; or

2. Allow for the additional accumulation of wagering credits if the gaming device has an odd cents meter.
- (b). A wagering instrument inserted into a gaming device that is greater in amount than that gaming device's smallest denomination and not evenly divisible by any of the gaming device's denominations shall:
1. Cause that gaming device to immediately issue a change voucher or coupon if that gaming device does not have an odd cents meter and is equipped with a printer mechanism;
  2. Allow for the additional accumulation of wagering credits; or
  3. Cause that gaming device to immediately reject the wagering instrument if that gaming device is not equipped with a printer mechanism or if the printer mechanism is not functioning for any reason.
- (Adopted: 09/15/2004.)

*Source: Miss. Code Ann. §§ 75-76-99, 75-76-33*

*Rule 2.4 Hoppers.*

The hopper mechanism on gaming devices must be designed to detect jammed coins, extra coins paid out, hopper runaways, and hopper empty conditions. The device control program must monitor the hopper mechanism for these error conditions in all active game states that do not indicate error conditions.

(Adopted: 09/15/2004.)

*Source: Miss. Code Ann. §§ 75-76-99, 75-76-33*

*Rule 2.5 Printers.*

Printer mechanisms on gaming devices must be designed to detect low paper, paper out, presentation error, printer failure and paper jam conditions.

(Adopted: 09/15/2004.)

*Source: Miss. Code Ann. §§ 75-76-99, 75-76-33*

*Rule 2.6 Physical Security.*

A gaming device must resist forced illegal entry and must retain evidence of any entry until properly cleared or until a new play is initiated. A gaming device must have a protective cover over the circuit boards that contain programs and circuitry used in the random selection process and control of the gaming device, including any electrically alterable program storage media. The cover must be designed to permit installation of a security locking mechanism by the manufacturer or end user of the gaming device.

(Adopted: 09/15/2004.)

*Source: Miss. Code Ann. §§ 75-76-99, 75-76-33*

*Rule 2.7 Communication with Associated Equipment.*



(a) Any gaming device which is capable of bidirectional communication with internal or external associated equipment must utilize a communication protocol which insures that erroneous data or signals will not adversely affect the operation of the device.

(b) Any new or modified gaming device submitted for approval which is used with a progressive controller or any other associated equipment that is intended to signal a jackpot hit of any level must provide a complex signal consisting of at least eight logical transitions involving time and magnitude. The device may optionally provide an additional jackpot signal intended for use with older progressive equipment.

(Adopted: 09/15/2004.)

*Source: Miss. Code Ann. §§ 75-76-99, 75-76-33*

*Rule 2.8 Error conditions.*

(a) Gaming devices must detect and display the following conditions during idle states or game play. These conditions may be automatically cleared by the gaming device upon completion of a new play sequence.

1. Power reset.
2. Door open.
3. Door just closed.
4. Inappropriate coin-in if the inappropriate coin(s)-in are not returned to the player.

(b) Gaming devices must be capable of detecting and displaying the following error conditions which must disable game play and which may only be cleared by an attendant:

1. Coin-in error (coin jam, reverse coin-in, etc.)
2. Coin-out error (coin jam, extra coin paid out, etc.)
3. Hopper empty or timed-out (Hopper failed to make payment).
4. Hopper runaway.
5. Low RAM battery (a designated battery replacement schedule may be used in lieu of a low battery detection scheme).
6. Print Failure, if the gaming device has no other means to make a payout. A Replacement voucher may be printed once the failure condition has been cleared.
7. Printer mechanism paper jam. A paper jam condition must be monitored at all times during the print process.
8. Printer mechanism paper out, if the gaming device has no other means to make a payout.
9. Program error (Defective program storage media).
10. Reel spin error of any type including a mis-index condition for mechanical reels. The specific reel number must be identified. If a tilt occurs while the reel(s) are spinning the gaming device must spin the reel(s) at a slow speed.
11. Removal of control program storage media.
12. Uncorrectable RAM error (RAM defective or corrupted).

(c) Gaming devices must be capable of detecting and displaying the following error conditions which may either be cleared by an attendant. Game play may continue if an alternative method is available to complete the transaction or the condition does not prohibit the transaction from being completed:

1. Hopper empty or timed-out (Hopper failed to make payment)
2. Printer mechanism low paper.

3. Print Failure.
  4. Printer mechanism paper out.
- (d) A description of device error codes and their meanings must be affixed inside the gaming device unless the displayed device error codes are self-explanatory.  
(Adopted: 09/15/2004.)

*Source: Miss. Code Ann. §§ 75-76-99, 75-76-33*

*Rule 2.9 Control program requirements.*

(a) All must employ a mechanism approved by the Executive Director to verify control programs code and data. The mechanism used must detect at least 99.99 percent of all possible media failures. If these programs and data are to operate out of volatile RAM, the program that loads the RAM must reside on and operate from a Conventional ROM Device.

(b) All gaming devices having control programs or data stored on memory devices other than Conventional ROM Devices must:

1. Employ a mechanism approved by the Executive Director which verifies that all control program components, including data and graphic information, are authentic copies of the approved components. The Executive Director may require tests to verify that components used by licensees are approved components. The verification mechanism must have an error rate of less than 1 in 10 to the 38th power and must prevent the execution of any control program component if any component is determined to be invalid. Any program component of the verification or initialization mechanism must be stored on a Conventional ROM Device that must be capable of being authenticated using a method approved by the Executive Director.
2. Employ a mechanism approved by the Executive Director which tests unused or unallocated areas of any alterable media for unintended programs or data and tests the structure of the storage media for integrity. The mechanism must prevent further play of the gaming device if unexpected data or structural inconsistencies are found;
3. Provide a mechanism for keeping a record, in a form approved by the Executive Director, anytime a control program component is added, removed, or altered on any alterable media. The record must contain the date and time of the action, identification of the component affected, the reason for the modification and any pertinent validation information;
4. Provide, at a minimum, a two-stage mechanism for validating all program components on demand via a communication port and protocol approved by the Executive Director. The first stage of this mechanism must verify all control components. The second stage must be capable of completely authenticating all program components, including graphics and data components in a maximum of 20 minutes. The mechanism for extracting the authentication information must be stored on a Conventional ROM Device that must be capable of being authenticated by a method approved by the Executive Director.
5. If approved before August 1, 2004, receive a waiver from the Executive Director for any modification to the device if the full implementation of this section cannot be met. The Executive Director may waiver portions of this section if the manufacturer can demonstrate to the Executive Director's satisfaction that the imposition of the full

standard would hinder the design of the device or pose a hardship due to limitations in the approved Platform.

(c) Any gaming device executing control programs from electrically erasable or volatile memory must employ a mechanism approved by the Executive Director that ensures the integrity of all control program components residing therein, including fixed data and graphic information and ensures that they are authentic copies of the approved components. Additionally, control program components, excluding graphics and sound components, must be fully verified at the time of loading into the electrically erasable or volatile memory and upon any significant event, including but not limited to door closings, game resets, and power up. The mechanism must prevent further play of the gaming device if an invalid component is detected.

(d) Unless otherwise approved by the Executive Director, any gaming device that allows the adding, removing, or alteration of any control program components through a data communication facility must employ a mechanism for preventing any change from taking place that would interrupt a game in progress. Any device, technique or network which may be used to accomplish the adding, removing, or alteration of any control program components may, at the Executive Director's discretion, be considered a gaming device that must receive separate commission approval.

(e) Gaming devices with control programs or other security programs residing in conventional Read Only Memory (ROM) devices such as EPROM's or fusible-link PROM's must have the unused portions of the memory device that contains the program set to zero or some other value approved by the Executive Director.

(f) Gaming device control programs must check for any corruption of random access memory locations used for crucial gaming device functions including, but not limited to, information pertaining to the play and final outcome of the most recent game, the nine games prior to the most recent game, random number generator outcome, credits available for play, and any error states. These memory areas must be checked for corruption following game initiation but prior to display of the game outcome to the player. Detection of any corruption that cannot be corrected shall be deemed to be a game malfunction and must result in a tilt condition.

(g) All gaming devices must have the capacity to display a complete play history for the most recent game played and nine games prior to the most recent game. Retention of play history for additional prior games is encouraged. The display must indicate the game outcome (or a representative equivalent), intermediate play steps (such as a hold and draw sequence or a double-down sequence), credits available, bets placed, credits or coins paid, and credits cashed out. Gaming devices offering games with a variable number of intermediate play steps per game may satisfy this requirement by providing the capability to display the last 50 play steps. The Executive Director may waive this standard for a particular device or modification if the hardware platform on which the device is based was originally approved prior to the adoption of this standard as modified and the manufacturer can demonstrate to the Executive Director's satisfaction that the imposition of the full standard would hinder the design of the device or would otherwise pose a hardship due to capacity limitations in the approved platform.

(h) All gaming devices must have the capacity to display a complete transaction history for the most recent transaction with a cashless wagering system, and the previous thirty-four transactions prior to the most recent transaction, that incremented any of the meters set forth in Regulation VIII, Section 3., (e). Retention of transaction history for additional prior transactions is encouraged.

(Adopted: 09/15/2004.)

*Source: Miss. Code Ann. §§ 75-76-99, 75-76-33*

*Rule 2.10 Bonus or Extended Game Features.*

All gaming devices which offer a bonus game or extended feature which requires player selection or interaction are prohibited from automatically initiating these features unless the gaming device meets the requirements of (1) or (2) and explains the mechanism for auto-initiation on the device glass or video display.

(a) The patron is presented with a choice and specifically acknowledges their intent to have the gaming device auto-initiate the bonus or extended play feature by means of a button press or other physical/machine interaction.

(b) The bonus or extended feature provides only one choice to the patron i.e.: Press button to spin wheel. In this case, the device may auto initiate the bonus or extended feature after a time out period of at least 2 minutes.

(Adopted: 09/15/2004; Amended 06/15/2006.)

*Source: Miss. Code Ann. § 75-76-33*

*Rule 2.11 Reel strips*

(a). Given a physical reel strip of length L units containing N physical stops, each blank space must occupy a minimum of  $(L/N)*0.4$  units. These blank symbols must be completely free of any portion of any adjacent symbol.

(b). All non-blank and blank symbols must be centered in their respective space allocation.

(Adopted: 09/15/2004.)

*Source: Miss. Code Ann. § 75-76-33*

*Rule 2.12 Safety.*

(a). A gaming device must not present a mechanical, electrical or fire hazard when used in its intended mode of operation.

(b). The power supply used in a gaming device must be designed to minimize leakage current in the event of intentional or inadvertent disconnection of the AC power ground. Leakage currents of greater than 1.0 milliamperes may be considered hazardous. The power supply must be appropriately fused or protected by circuit breakers.

(Adopted: 09/15/2004.)

*Source: Miss. Code Ann. § 75-76-33*

**Part 8 Chapter 3: PROPER ACCOUNTING FOR GAMING DEVICES**

*Rule 3.1 Changes to payout percentage.*

(a). The theoretical payback percentage of a gaming device must not be capable of being changed without making a hardware or software change in the device. For purposes of this standard, the addition of an attendant paid bonus, a progressive jackpot, or a change in rate of progression of an existing progressive jackpot is not considered to be a change in the theoretical payback of the gaming device.

(b). Notwithstanding subsection (1), draw poker type gaming devices may have switch selectable or menu selectable top award values so long as the selectable range does not alter the payback percentage of the device by more than 1 percent with typical field play.

(c). For those gaming devices which are already approved as of the effective date of this regulation, this subsection (3) shall apply for a period of one year after the effective date of this regulation. Gaming devices which are considered to be slot machines and which have a difference in theoretical payback percentage which exceeds 4 percent for a single-coin play versus maximum-bet play, must have electronically stored digital meters of at least 6 digits which record the number of plays made in each category of wager for which the theoretical payback percentage is different from the single-coin bet category.

(Adopted: 09/15/2004.)

*Source: Miss. Code Ann. § 75-76-51*

*Rule 3.2 Accounting of Inappropriate Coins-in.*

Inappropriate coins-in must be returned to the player by activation of the hopper or credited toward the next play of the gaming device. The gaming device control program must be capable of handling rapidly fed coins so that the occurrences of inappropriate coins-in are minimized.

(Adopted: 09/15/2004.)

*Source: Miss. Code Ann. § 75-76-51*

*Rule 3.3 Payouts from the hopper.*

(a). All coins or tokens paid from the hopper mechanism must be properly accounted for by the gaming device, including those paid as extra coins during a hopper malfunction.

(b). Hopper pay limits must be designed to permit compliance by gaming establishments with published IRS Regulations.

(Adopted: 09/15/2004.)

*Source: Miss. Code Ann. § 75-76-51*

*Rule 3.4 Meters.*

(a) For those gaming devices which are already approved as of the effective date of this regulation, this Section (d) shall apply for a period of one year after the effective date of this regulation.

(b) All gaming devices must be equipped with electronic digital storage meters of at least eight digits that can be displayed upon demand and that accumulate the following information in units equal to the denomination of the device, in dollars and cents or in other units approved by the Executive Director:

1. The total value of all wagers, whether the wagered amount comes from the insertion of coin or tokens, currency, deduction from a credit meter or any other means (Coin In). This meter shall not include subsequent wagers made on “double-up” games;
2. The total value of all amounts directly paid by the machine as a result of winning wagers, whether the payout is made via the hopper or to a credit meter (Coin Out). This meter shall include payouts from the final outcome of “double-up” games;
3. The total value of coins or tokens diverted to the drop (Coins Dropped);

4. The total value of jackpots paid by an attendant (Jackpot Pays). The amount accumulated on this meter excludes any payments recorded on the Coin Out meter. In the case of a cash or non-cash progressive, mystery or bonus award, the attendant pay meter must reflect the actual award if the amount is electronically communicated to the gaming device or, if not electronically communicated, the base value of the award as reflected on the manufacturer's par percentage sheet;
  5. The total value of coins or tokens inserted into the gaming device (Physical Coin In);
  6. The total value of coins or tokens paid out by the hopper (Physical Coin Out);
  7. The total value of the currency accepted, if the device has a currency acceptor (Bills In);
  8. The total value of each type of other instrumentalities, wagering credits, or wagering instruments inserted or otherwise transferred to the device which result in giving the patron a wager or credits to make a wager, if the device accepts such instrumentalities (Other Instrumentalities In);
  9. The total value of credits paid by each means other than payout from the hopper or jackpot payouts recorded on the meter required by Regulation VIII, C., 4,(b)(4), if the device has such provisions (Credits Canceled); and
  10. The total value of additional amounts paid as a result of an external bonusing system if the device has the provisions for interfacing with such a system (Bonus Payouts).
  11. Any other meter(s) that the Executive Director may require to provide for a full and complete accounting of monies or instrumentalities in or out of the gaming device.
- (c) All gaming devices must be equipped with either:
1. Electro-mechanical nonresetable counters having at least six digits that accumulate Coin In as described in Regulation VIII, Section 3., (d),(2)(A), Coin Out as described in Regulation VIII, Section 3., (d),(2)(B), and Drop, which is the sum of the Coins Dropped as described in Regulation VIII, Section 3., (d),(2)(C), and Bills In as described in Regulation VIII, Section 3., (d),(2)(G), or
  2. A device, mechanism or method which retains the value of all of the required meters in Regulation VIII, Section 3., (d),(2), in the event of loss of power to the device or replacement of the primary logic board.
- (d). Electro-mechanical meters, if used, must have an accuracy of 0.1 percent or better.
- (e). Gaming devices that use electro-mechanical meters must be designed so that replacement of parts or modules required for normal maintenance does not necessitate replacement of the electro-mechanical meters.
- (f). Gaming devices must have an electronically stored digital meter of at least 3 digits for the number of plays since power on and the number of plays since door closure. When the maximum value has been reached, the meters must remain at that value until reset by occurrence of the appropriate event. The gaming device must provide the means for ondemand display of the stored information.
- (g). Unless a tilt condition or other malfunction exists, gaming devices must have meters in units equal to the denomination of the device, in dollars and cents or in other units approved by the Executive Director, continuously displaying to a player the following information as it pertains to the current game selection, current play or monetary transaction:
1. The coins or credits wagered;
  2. The coins or credits won, if applicable;

3. The coins paid by the hopper for a credit cash-out or a direct pay from a winning outcome;
  4. The credits available for wagering, if applicable.
- (h) Electronically stored meter information required by this section must be preserved for a minimum of 72 hours after a power loss to the gaming device.  
(Adopted: 09/15/2004.)<sup>3</sup>

*Source: Miss. Code Ann. § 75-76-51*

*Rule 3.5 Meters.*

(a). All gaming devices must be equipped with electronic digital storage meters of at least 10 digits capable of displaying the information listed in this section on demand. These meters, listed below, must accumulate the following information in units equal to the denomination of the device or in dollars and cents. Devices configured for multi-denomination play must display the required information in dollars and cents.

1. Coin In. The machine must have a meter specifically labeled “Coin In” that accumulates the total value of all wagers, whether the wagered amount results from the insertion of coins, tokens, currency, deduction from a credit meter or any other means.

i. This meter shall:

1. Not include subsequent wagers of intermediate winnings accumulated during game play sequence such as those acquired from “double up” games;
2. For multi-game and multi-denomination/multi-game gaming devices, provide the information necessary, on a per payable basis, to calculate a weighted average theoretical payback percentage; and
3. For gaming devices which are considered slot machines and which contain paytables with a difference in theoretical payback percentage which exceeds 4 percent between wager categories, maintain and display coin in meters and the associated theoretical payback percentage, for each wager category with a different theoretical payback percentage, and calculate a weighted average theoretical payback percentage for that payable.

2. Coin Out. The machine must have a meter specifically labeled “Coin Out” that accumulates the total value of all amounts directly paid by the machine as a result of winning wagers, whether the payout is made from the hopper, to a credit meter or by any other means. This meter will not record amounts awarded as the result of an external bonusing system or a progressive payout;

3. Coin Drop. The machine must have a meter specifically labeled “Coin Drop” that accumulates the total value of coins or tokens diverted to the drop;

4. Attendant Paid Jackpots. The machine must have a meter specifically labeled “Attendant Paid Jackpots” that accumulates the total value of credits paid by an attendant resulting from a single winning alignment or combination, the amount of which is not capable of being paid by the machine itself. This does not include progressive amounts or amounts awarded as a result of an external bonusing system. This meter is only to include awards resulting from a specifically identified amount listed in the manufacturer’s par sheet;

5. Attendant Paid Cancelled Credits. The machine must have a meter specifically labeled “Attendant Paid Cancelled Credits” that accumulates the total value paid by an attendant resulting from a player initiated cash-out that exceeds the physical or configured capability of the machine to make the proper payout amount;
6. Physical Coin In. The machine must have a meter specifically labeled “Physical Coin In” that accumulates the total value of coins or tokens inserted into the machine;
7. Physical Coin Out. The machine must have a meter specifically labeled “Physical Coin Out” that accumulates the value of all coins or tokens physically paid by the machine;
8. Bill In. The machine must have a meter specifically labeled “Bill In” that accumulates the total value of currency accepted. Additionally, the machine must have a specific meter for each denomination of currency accepted that records the number of bills accepted of each denomination;
9. Voucher In. The machine must have a meter specifically labeled “Voucher In” that accumulates the total value of all slot machine wagering vouchers accepted by the machine;
10. Voucher Out. The machine must have a meter specifically labeled “Voucher Out” that accumulates the total value of all slot machine wagering vouchers and payout receipts issued by the machine;
11. Electronic Funds Transfer In (EFT In). The machine must have a meter specifically labeled “EFT In” that accumulates the total value of cashable credits electronically transferred from a financial institution to the machine through a cashless wagering system;
12. Wagering Account Transfer In (WAT In). The machine must have a meter specifically labeled “WAT In” that accumulates the total value of cashable credits electronically transferred to the machine from a wagering account by means of an external connection between the machine and a cashless wagering system;
13. Wagering Account Transfer Out (WAT Out). The machine must have a meter specifically labeled “WAT Out” that accumulates the total value of cashable credits electronically transferred from the machine to a wagering account by means of an external connection between the machine and a cashless wagering system;
14. Non-Cashable Electronic Promotion In. The machine must have a meter specifically labeled “Non-Cashable Electronic Promotion In” that accumulates the total value of non-cashable credits electronically transferred to the machine from a promotional account by means of an external connection between the machine and a cashless wagering system;
15. Cashable Electronic Promotion In. The machine must have a meter specifically labeled “Cashable Electronic Promotion In” that accumulates the total value of cashable credits electronically transferred to the machine from a promotional account by means of an external connection between the machine and a cashless wagering system;
16. Non-Cashable Electronic Promotion Out. The machine must have a meter specifically labeled “Non-Cashable Electronic Promotion Out” that accumulates the total value of non-cashable credits electronically transferred from the machine to a promotional account by means of an external connection between the machine and a cashless wagering system;
17. Cashable Electronic Promotion Out. The machine must have a meter specifically labeled “Cashable Electronic Promotion Out” that accumulates the total value of cashable



credits electronically transferred from the machine to a promotional account by means of an external connection between the machine and a cashless wagering system;

18. Coupon Promotion In. The machine must have a meter specifically labeled “Coupon Promotion In” that accumulates the total value of all slot machine coupons accepted by the machine;

19. Coupon Promotion Out. The machine must have a meter specifically labeled “Coupon Promotion Out” that accumulates the total value of all slot machine coupons issued by the machine;

20. Machine Paid External Bonus Payout. The machine must have a meter specifically labeled “Machine Paid External Bonus Payout” that accumulates the total value of additional amounts awarded as a result of an external bonusing system and paid by the slot machine;

21. Attendant Paid External Bonus Payout. The machine must have a meter specifically labeled “Attendant Paid External Bonus Payout” that accumulates the total value of amounts awarded as a result of an external bonusing system paid by an attendant;

22. Attendant Paid Progressive Payout. The machine must have a meter specifically labeled “Attendant Paid Progressive Payout” that accumulates the total value of credits paid by an attendant as a result of progressive awards that are not capable of being paid by the machine itself;

23. Machine Paid Progressive Payout. The machine must have a meter specifically labeled “Machine Paid Progressive Payout” that accumulates the total value of credits paid as a result of progressive awards paid directly by the machine. This meter does not include awards paid as a result of an external bonusing system; and

24. Such other meters as may be required by the Executive Director.

(b) Gaming devices that are unable to comply with the full requirements of Regulation VIII, Section 3., (e),(1), shall:

1. For gaming devices that are unable to display the specific meter labels required, use a legend to indicate what information a specific meter accumulates.

2. For gaming devices that are unable to incorporate meters (I) through (W) due to undue hardship on the gaming device manufacturer, not be required to incorporate such meters if this requirement is waived by the Executive Director.

3. All gaming devices must be equipped with a device, mechanism or method which retains the value of all the required meters in Regulation VIII, Section 3., (e),(1), in the event of power loss to the device.

4. Gaming devices must have electronically stored meters of at least 8 digits that record the number of games played:

i. Since power reset;

ii. Since door close; and

iii. Since game initialization (RAM clear).

5. The gaming device must provide the means for on-demand display of the stored information.

6. Unless a tilt condition or other malfunction exists, gaming devices must have meters in units equal to the denomination of the device, in dollars and cents or in other units approved by the Executive Director, continuously displaying to a player the following information as it pertains to the current play or monetary transaction:

i. The coins or credits wagered;

- ii. The coins or credits won, if applicable;
  - iii. The coins paid by the hopper for a credit cash-out or a direct pay from a winning outcome;
  - iv. The credits available for wagering, if applicable.
7. Electronically stored meter information required by this section must be preserved for a minimum of 72 hours after a power loss to the gaming device.
- (Adopted: 09/15/2004.)

*Source; Miss. Code Ann. § 75-76-51*

*Rule 3.6 Credit play requirements*

- (a) For those gaming devices which are already approved as of the effective date of this regulation, this Section (f) shall apply for a period of one year after the effective date of this regulation.
- (b) Collectible credits may be accumulated from wins or from approved currency acceptors. Collectible credits may be accumulated directly from coin or token acceptance if the gaming device uses a coin/token acceptor that accepts or rejects on the basis of the metallic composition of the coins being used. The aggregate total of collectible credits accumulated from currency must be less than \$3,000.
- (c) The maximum number of credits from currency that may be applied to any wager on a gaming device must be less than \$3,000, except that repeated double-down (double or nothing) bets are allowed up to the ultimate lockup level of the device.
- (Adopted: 09/15/2004.)

*Source; Miss. Code Ann. §§ 75-76-99, 75-76-101*

*Rule 3.7 Credit play requirements.*

- (a) Cashable credits may be accumulated from wins, approved currency acceptors, electronic funds transfers, wagering account transfers, or any other transfers of cashable credits. Cashable credits may be accumulated directly from coin or token acceptance if the gaming device uses a coin/token acceptor that accepts or rejects on the basis of the metallic composition of the coins being used. The aggregate total of cashable credits accumulated from coin and currency must be less than or equal to \$3,000.
- (b) The maximum number of credits from currency that may be applied to any wager on a gaming device must be less than or equal to \$3,000, except that repeated double-down (double or nothing) bets are allowed up to the ultimate lock-up level of the device.
- (c) Wagering credits available for play must be wagered in the following order:
- 1. Non-cashable credits;
  - 2. Cashable credits given away by a licensee; and
  - 3. All other credits.

(Adopted: 09/15/2004.)

*Source; Miss. Code Ann. § 75-76-101*

*Rule 3.8 Award cards.*

Award cards must be clearly identified and must be displayed at all times the device is available for play or be readily available for display on the device on demand by the player. Award cards must accurately state the award that will be paid through any combination of dispensed coin, credit awards, printed tickets, attendant pays, or electronic funds transfer when the player obtains a specific win. The award card must clearly indicate whether awards are designated in denominational units, dollars and cents, or some other unit. All award cards present on a gaming device must reflect any change in award value which may occur in the course of play.  
(Adopted: 09/15/2004.)

*Source: Miss. Code Ann. § 75-76-101*

*Rule 3.9 Jackpot Odds.* The probability of hitting any advertised jackpot that is offered by a gaming device may not exceed 100 million to one.  
(Adopted: 09/15/2004.)

*Source: Miss. Code Ann. § 75-76-33*

#### **Part 8 Chapter 4: INTEGRITY OF AND PROPER ACCOUNTING FOR ON-LINE SLOT SYSTEMS**

*Rule 4.1 Communication security.*

The on-line slot system shall include secured communication as follows:

- (a) All communications that initiate a gaming device pay command shall employ some form of encryption that has been approved by the Executive Director.
- (b) All data communication shall incorporate an error detection and correction scheme approved by the Executive Director to ensure the data is transmitted and received accurately.

(Adopted: 09/15/2004.)

*Source: Miss. Code Ann. §§ 75-76-3, 75-76-99*

*Rule 4.2 Error conditions.*

The on-line slot system shall be capable of detecting and displaying certain conditions. These conditions shall be recorded on an error log that may be displayed or printed on demand, and shall archive the conditions for a minimum of thirty (30) days. The conditions include but are not limited to:

- (a) Power reset or failure of a gaming device or any component of the on-line slot system.
- (b) Communication loss between a gaming device and any component of the on-line slot system.

(Adopted: 09/15/2004.)

*Source: Miss. Code Ann. § 75-76-99*

*Rule 4.3 Program access control.*

The on-line slot system shall be capable of restricting or limiting access to any and all program components by a method approved by the Executive Director.

There shall be no access to the on-line system unless it can be identified, tracked and reported by the system. All default or hard-coded passwords to an on-line system shall be deleted prior to activation of the system.

There shall be no remote access to the system unless it can be identified, tracked and reported by the system. At a minimum the system must identify the login name and password, the number into which dialed, the date, time and duration of the activity, and a detailed description of the activity performed. The modem shall be disabled or unplugged except when in use for remote access.

(Adopted: 09/15/2004.)

*Source: Miss. Code Ann. § 75-76-99*

*Rule 4.4 Data access control.*

The on-line slot system shall not permit the alteration of any accounting or event log information that was properly communicated from the gaming device unless documented, secure access controls are provided.

(Adopted: 09/15/2004.)

*Source: Miss. Code Ann. § 75-76-99*

*Rule 4.5 On-line system clock.*

(a). The on-line slot system shall maintain an internal clock that accurately reflects the current time (in hours, minutes and seconds) and date that shall be used to provide for the following:

1. Time stamping of significant events;
2. Reference clock for reporting;
3. Time stamping of configuration changes.
4. If multiple clocks are used, then a means shall be provided that will update all clocks in devices attached to the system, including the gaming devices, at least once in each 24-hour period.

(b). The on-line slot system shall maintain a history of all updates/modifications to the system. This data must be hard-coded in the update/modification and shall not be entered manually.

(Adopted: 09/15/2004.)

*Source: Miss. Code Ann. § 75-76-99*

*Rule 4.6 On-line slot system integrity.*

(a) The on-line slot system shall be designed so that no single failure of any system component will cause the cessation of system operation. Alternatively, each gaming establishment must provide for back-up components or systems using a plan approved by the Executive Director.

(b) The database shall be stored on redundant media so that no single failure of any portion of the system would cause the loss or corruption of data.

(Adopted: 09/15/2004.)

*Source: Miss. Code Ann. §§ 75-76-99, 75-76-3*

*Rule 4.7 Interface with gaming device.*

(a) Each gaming device interfaced with an on-line slot system using an interface component shall have the interface component either installed inside a secure area of the gaming device or shall employ a secure communication method between the gaming device and the interface component.

(b) The interface component shall send information to the on-line slot system via a communication protocol approved by the Executive Director.

(c) A system shall be designed such that communications that access gaming device components, including but not limited to, bill validators, hoppers and printers, may only access those components through a processor that has been approved using the standards and criteria for a gaming device.

(Adopted: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-99*

*Rule 4.8 Clearing meters.*

An interface component shall have a mechanism whereby an error will not cause the loss of stored accounting meter information.

(Adopted: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-99*

*Rule 4.9 Meter backup requirements.*

Data recorded by electronic meters shall be preserved after a power loss to an interface component and shall be maintained for a period of at least seventy-two (72) hours.

(Adopted: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-99*

*Rule 4.10 Address requirements.*

Interface components shall allow for the configuration of a unique identification number to be used in conjunction with the gaming device file in the on-line slot system. This identification number will be used by the on-line slot system to track all mandatory information of the associated gaming device.

(Adopted: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-99*

*Rule 4.11 Required meters.*

(a) The on-line slot metering system shall be equipped to read specific values of or store the information accumulated by the electronic digital storage meters in the gaming device. The following meter information is stored in units equal to the denomination of the device or in dollars and cents:

1. Coin in.
2. Coin out.
3. Coin drop.
4. Attendant paid jackpots.

5. Attendant paid cancelled credits.
6. Physical coin in.
7. Physical coin out.
8. Bill in.
9. Voucher out (for the metering of payout receipts).
10. Machine paid external bonus payout.
11. Attendant paid external bonus payout.
12. Attendant paid progressive payout.
13. Machine paid progressive payout.

(b) Note 1: System meters shall be referred to with the above terms and shall accumulate the information as required by Regulation VIII, Section 3., (e).

(c) Note 2: The system shall maintain payable coin-in and theoretical payback percentage information provided by the gaming device for each multigame or multi-denomination/multi-game slot machine.

(d) Note 3: The system shall maintain payable coin-in and weighted average theoretical payback percentage information provided by each gaming device which is considered a slot machine and which contains paytables with a difference in theoretical payback percentage which exceeds 4 percent between wager categories.

(Adopted: 09/15/2004.)

*Source: Miss. Code Ann. § 75-76-99*

*Rule 4.12 Recording of meter information.*

An on-line slot metering system must have a mechanism in place to record all required meters, as specified by Regulation VIII, Section 4., (k), on demand and at the time a drop box (coin or currency) is removed.

(Adopted: 09/15/2004.)

*Source: Miss. Code Ann. § 75-76-99*

*Rule 4.13 Payout receipts.*

Systems that issue a printed payout receipt shall:

(a) Include on all payout receipts:

1. Licensee name, city and state;
2. Gaming device number;
3. Date and time of issuance;
4. Alpha and numeric dollar amount;
5. Sequence number;
6. Expiration period or date when receipt will expire, if applicable.

(b) Only allow the printing of a payout receipt upon a communication initiated by a gaming device.

(c) Provide for on-line, real-time validation of payout receipts.

(d) Be incapable of authorizing payment on a payout receipt that has been previously paid, voided, or that is unissued.

(e) For payout receipts printed at a gaming device, not allow an expiration period of less than thirty days.

(Adopted: 09/15/2004.)

Source: Miss. Code Ann. §§ 75-76-99, 75-76-51

*Rule 4.14 Documentation required of on-line slot metering systems.*

Documentation generated by an on-line slot metering system indicating information by slot machine, by denomination and in total, shall be available through the system on a day, month, year-to-date basis and for at least a previous two-year cumulative basis. Documentation for periods in excess of the two-year period that must be maintained under record retention regulations may be maintained off-line in a manner approved by the Executive Director. The system shall be designed so that documentation may be created daily or on demand and includes, at a minimum:

(a) For each document:

1. Document title;
2. Version number of the current system software;
3. Date or time period of activity; and
4. Date and time the document was generated.

i. Note: Documents that compare metered amounts to actual amounts shall include a dollar variance and a percentage variance. The percentage variance is the dollar variance divided by the metered amount.

(b) Slot machine performance including:

1. By machine:

- i. Denomination or an indication that the machine is a multidenomination machine;
- ii. Slot machine number and game type;
- iii. Coin in;
- iv. Metered or actual drop (system configurable);
- v. Actual jackpot payout slips issued;
- vi. Actual fill slips issued;
- vii. Win;
- viii. Theoretical hold percentage;
- ix. Actual hold percentage;
- x. Percentage variance (theoretical hold vs. actual hold); and
- xi. Projected dollar variance (i.e., coin in times the percentage variance).

2. By denomination and in total:

- i. Weighted average theoretical hold (i.e., floor par);
- ii. Combined actual hold percentage (all win divided by all coin in);
- iii. Percentage variance (floor par vs. combined actual hold percentage); and
- iv. Projected dollar variance (i.e., total coin in times the percentage variance).

1. Note 1: Floor pars are the sum of the theoretical hold percentages of all machines within a denomination weighted by coin in contribution.

2. Note 2: Drop, fills, jackpot payouts, and win figures may need adjustment to determine the true slot machine performance.

3. Note 3: The system shall compute accurate theoretical hold percentages, based on coin-in contribution, for each multigame or multi-denomination/multi-game slot machine.

4. Note 4: The system shall compute accurate theoretical hold percentages for each gaming device which is considered a slot machine and which contains paytables with a difference in theoretical payback percentage which exceeds 4 percent between wager categories.

(c) Meter drop vs. actual drop for each drop type (coin and bills), by machine and in total.

(d) Meter attendant paid jackpots, cancelled credits, progressive payouts and external bonus payouts (in total) vs. actual attendant paid jackpots, cancelled credits, progressive payouts and external bonus payouts (in total).

1. Note: The system must produce a report (by machine and in total) that compares each type of attendant pay for those machines that have variances.

(e) Meter fills vs. actual fills.

1. Note: Meter fills equal "Meter physical coin in" minus "Meter physical coin out" minus "Meter coin drop".

(f) Meter machine paid and attendant paid external bonus payouts vs. external bonusing system machine paid and attendant paid external bonus payouts.

(g) Meter voucher out vs. system payout receipts issued.

(h) System payout receipts redeemed, by cashiering station, by shift.

(i) System payout receipts issued, to include date issued, amount, sequence number and identification of gaming device where issued.

(j) System payout receipt liabilities, by date issued and receipt sequence number.

(k) Meter win vs. actual taxable win.

1. Note: "Meter win" equals "meter coin in" minus "meter coin out" minus "meter machine paid progressive payout" minus "meter machine paid external bonus payout" minus "total of meters accumulating attendant payouts" (excluding attendant paid cancelled credits).

(l) Exception report. In the event data or parameters are changed, an exception report shall be produced to document:

1. Data or parameter altered;
2. Data or parameter value prior to alteration;
3. Data or parameter value after alteration;
4. Date and time of alteration; and
5. Identification of user that performed alteration.
6. By machine, a report of all required meter amounts read and recorded by the on-line slot system.

(Adopted: 09/15/2004.)

*Source: Miss. Code Ann. §§ 75-76-99, 75-76-51*

*Rule 4.15 Additional requirements for cashless wagering systems.*

In addition to those requirements set forth for on-line slot metering systems, and except for those requirements described in Regulation VIII, Section 4., (k) through (n), all cashless wagering systems submitted for approval shall:

(a) Prevent the direct wagering at a gaming device or an electronic funds transfer to a gaming device through the use of a credit card.

(b) In the event of debit instrument transactions, execute such transactions in accordance with all applicable state and federal electronic funds transfer requirements or wagering account transfer



requirements including receipting and fee disclosure requirements. Additionally, for electronic funds transfers, the cashless wagering system must provide for a configurable daily transfer limit which must not exceed \$1,000 per day per debit instrument.

(c) Employ some form of data encryption that has been approved by the Executive Director for all data that is transmitted to or from a gaming device. This standard does not apply to data that is transmitted between a gaming device and a gaming device interface component.

(d) Provide a secure method for patron access to wagering accounts and promotional accounts.

(e) For all patron initiated transactions, assign to each transaction a unique identifier of at least eight digits that includes the gaming device designation.

(f) Be equipped to read and store the specific values indicated on the electronic digital storage meters in the gaming device, as applicable to the system. The following gaming device meter information is stored in units equal to the denomination of the device or in dollars and cents:

1. Voucher in.
2. Voucher out (for the metering of slot machine wagering vouchers and payout receipts).
3. Electronic funds transfer in (EFT In).
4. Wagering account transfer in (WAT In).
5. Wagering account transfer out (WAT Out).
6. Cashable electronic promotion in.
7. Cashable electronic promotion out.
8. Non-cashable electronic promotion in.
9. Non-cashable electronic promotion out.
10. Coupon promotion in.
11. Coupon promotion out.

i. Note: System meters shall be referred to with the above terms and shall accumulate applicable system generated information as well as information stored on gaming device meters as required by Regulation VIII, Section 3., (e),.

(g) Have a mechanism in place to record all required meters, as specified by Regulation VIII, Section 4., (o),(6), at the time a drop box (coin or currency) is removed and at any time specified by the end user.

(h) Prevent an expiration period of less than thirty days for slot machine wagering vouchers.

(i) Include on all slot machine wagering vouchers and coupons:

1. Licensee name, city and state;
2. Gaming device number or printer station number, as applicable;
3. Date and time of issuance;
4. Alpha and numeric dollar amount;
5. Sequence number;
6. Validation number;
7. Second printing of validation number on the leading edge of the voucher or coupon;
8. Unique identifier (e.g., bar code);
9. Transaction type or other acceptable method of differentiating ticket types; and
10. Expiration period or date when voucher or coupon will expire, if applicable.
11. Cause a relevant, informative message to be displayed whenever any player-initiated wagering account transfer or electronic funds transfer is being processed.
12. In the event communications between the system and a gaming device are lost, allow no more than one wagering instrument to be printed.

13. Require all electronic funds transfers to be recorded by the system.
14. Provide for on-line, real-time validation of wagering instruments or debit instruments, as applicable.
15. Be incapable of authorizing payment on a wagering instrument that has been previously paid, voided, or that is unissued, and the system shall display the status of the instrument.
16. Prevent the removal or erasure of events and transactions from any communication device until that information has been successfully transferred and acknowledged by the communication device next in succession.
17. Be designed to prevent unauthorized changes to cashless wagering system programs and databases.
18. Require the end user to initiate any remote access and shall only allow remote access by the system's licensed manufacturer from that manufacturer's place of business.

(Adopted: 09/15/2004.)

*Source: Miss. Code Ann. §§ 75-76-51, 75-76-99*

*Rule 4.16 Documentation Required of Cashless Wagering Systems.*

Documentation generated by a cashless wagering system shall be available through the system on a day, month, year-to-date basis and for at least a previous two-year cumulative basis. Documentation for periods in excess of the two-year period that must be maintained under record retention regulations may be maintained off-line in a manner approved by the Executive Director. The system shall be designed so that documentation may be created daily or on demand and includes, at a minimum:

- (a) For each document:
  1. Document title;
  2. Version number of the current system software;
  3. Date or time period of activity; and
  4. Date and time the document was generated.
- (b) Wagering instrument issuances by date and identification of gaming device where issued, by gaming device.
- (c) Wagering instrument redemptions by date and means of redemption (e.g., gaming device, cashier station, kiosk, etc.).
- (d) Wagering instrument liabilities by date issued and by instrument sequence number.
- (e) Wagering instruments expired by date issued, sequence number and identification of gaming device where issued.
- (f) Wagering instruments voided by date issued, instrument sequence number and identification of gaming device where issued.
- (g) Debit instrument (i.e., wagering account) activity and balances, by patron and gaming device and shall include the date and time of each transfer to or from each gaming device.
- (h) Vouchers and coupons counted in the count room, by gaming device and by type of instrument.
- (i) Gaming device meter EFT in vs. system EFT in.
- (j) Gaming device meter WAT in vs. system WAT in.
- (k) Gaming device meter WAT out vs. system WAT out.
- (l) System promotional account activity and balances, by patron or by promotion, as applicable.

- (m) System wagering account activity (deposits, transfers to and from gaming devices, withdrawals, adjustments) and balances, by wagering account.
  - (n) Gaming device meter cashable electronic promotion in vs. system cashable electronic promotion in.
  - (o) Gaming device meter cashable electronic promotion out vs. system cashable electronic promotion out.
  - (p) Gaming device meter non-cashable electronic promotion in vs. system non-cashable electronic promotion in.
  - (q) Gaming device meter non-cashable electronic promotion out vs. system non-cashable electronic promotion out.
  - (r) Gaming device meter voucher in vs. system voucher in forms accepted.
  - (s) System voucher in vs. vouchers counted in the count room, by gaming device.
  - (t) Gaming device meter voucher out vs. system voucher out forms issued.
  - (u) Gaming device meter coupon promotion in vs. system coupon promotion in forms accepted.
  - (v) System coupon promotion in vs. coupons counted in the count room, by gaming device.
  - (w) Gaming device meter coupon promotion out vs. system coupon promotion out forms issued.
  - (x) Slot machine performance report, as set forth in Regulation VIII, Section 4., (n),(2), that properly includes the wagering activity recorded on the gaming device meters set forth in Regulation VIII, Section 4., (o),(6), if the cashless wagering system is integrated with an on-line slot metering system.
  - (y) For each individual adjustment made to a cashless wagering account or a promotional account, a summary of the adjustment to include:
    - 1. Patron name and account number, or specific promotion, as applicable;
    - 2. Amount of, and explanation for, the adjustment; and
    - 3. Identification of the user completing and/or authorizing the adjustment.
  - (z) All cashiering activities (e.g., log on, redemptions, deposits/withdrawals and adjustments to wagering accounts, log off, etc.), by cashier.
  - (aa) All exceptions to include:
  - (bb) Date and time of exception;
    - 1. Gaming device number or user identification number and terminal location where the exception occurred; and
    - 2. A description of the exception or a unique code that identifies the exception.
- (Adopted: 09/15/2004.)

*Source: Miss. Code Ann. § 75-76-51*

*Rule 4.17 Waiver provisions.*

Upon a showing of good cause, the Executive Director may waive any of the requirements of Regulation VIII, Section 4.

(Adopted: 09/15/2004.)

*Source: Miss. Code Ann. § 75-76-51*