Dear Mr. Compeau:

This letter responds to your request to review and approve the Little River Band of Ottawa Indians' (Band) Regulations submitted on May 25, 1999. The Regulations were adopted by the Band by Resolution No. 99-0519-01 on May 19, 1999. The original ordinance was approved by the Chairman of the National Indian Gaming Commission on January 28, 1997. This letter constitutes approval under the Indian Gaming Regulatory Act.

Thank you for submitting the Little River Band of Ottawa Indians regulations for review. If you have questions or require further assistance, please contact Ms. Frances Fragua at (202) 632-7003.

Sincerely yours,

Montie R. Deer
Chairman
Gaming Commission Resolution No. #99-0519-01

APPROVING GAMING RULES 1 THROUGH 9

WHEREAS, the Little River Band of Ottawa Indians is a federally recognized Indian Tribe, as reaffirmed under Pub. L. 103-324, enacted on September 21, 1994; and

WHEREAS, the Tribal Council has, pursuant to Tribal Ordinance No. 97-400-01, created a Gaming Commission and delegated to such Commission the authority to regulate all gaming activities authorized by the Tribe and to enforce all Tribal and federal laws governing the conduct of Tribally-licensed gaming activities; and

WHEREAS, the Tribe's Gaming Ordinance was approved by the National Indian Gaming Commission on January 28, 1997; and

WHEREAS, the Tribal Gaming Commission, pursuant to Section 6.04 of the Gaming Ordinance, is authorized to promulgate rules and regulations as may be necessary to interpret and implement the Gaming Ordinance and to establish regulatory systems for contracting and other matters concerning gaming operations; and

WHEREAS, the Tribal Gaming Commission has determined that it is necessary to establish rules to clarify the licensing requirements for employees of the Gaming Enterprise and vendors doing business with Tribal Gaming Enterprises.

NOW THEREFORE BE IT RESOLVED, that the Tribal Gaming Commission approves and adopts the following Rules applicable to Tribal gaming operations:

Rule 1: Fees for Background Investigations for Gaming Employees;

Rule 2: Licensing Requirements and Fees for Gaming Service Vendors and Non-gaming Service Vendors;
Rule 3: Designation of Primary Management Officials and Key Employees;

Rule 4: License Issuance After Lapse in Employment;

Rule 5: Prohibition on Gaming by Gaming Commissioners, Commission Staff, All Gaming Employees and Certain Tribal Officials;

Rule 6: Restrictions on License Transfers;

Rule 7: Suspension of License for Criminal Conviction;

Rule 8: Technical Standards for Electronic Games of Chance;


IT IS FURTHER RESOLVED THAT copies of these Rules, together with a copy of this Resolution shall be forwarded to the Tribal Council Recorder, the General Manager of each Gaming Facility and the National Indian Gaming Commission.

Certificate of Adoption

This resolution was adopted by the Gaming Commission of the Little River Band of Ottawa Indians at its regular meeting held at the Tribal Administrative Offices on May 19, 1999 by a vote of 4 in favor, 0 opposed, 0 absent, and 0 abstentions, a quorum being present for such vote.

Attest:  

Carol Bialik, Executive Secretary

Carol Bialik, Executive Secretary
RULE 1: FEES FOR BACKGROUND INVESTIGATIONS FOR GAMING EMPLOYEES.

(A) All “Management Contractors” and “Primary Management Officials” as defined in the Tribal Ordinance #97-400-01.

Background Investigation Application Fee: Actual Cost.

(B) All “Key Employees” as defined in the Tribal Gaming Ordinance or by Gaming Commission Rule #3.

Background Investigation Application Fee: $50.00 *

(C) All other Gaming Employees or Non-Gaming Employees, whether employed by the Gaming Enterprise or by the Tribe, who work on or at the casino site:

Background Investigation Application Fee (Gaming Employees): $20.00 *
Work Permit Application Fee (Non-Gaming Employees): $20.00 *

* Background Investigation/Work Permit Application Fees are payable by the prospective licensee/employee at the time of application unless waived by the Tribal Gaming Commission upon proof of indigency. The balance of any costs for background investigations shall be advanced by the Gaming Enterprise (for the initial work force) or by the Gaming Commission (from Gaming Commission operating budgets).
RULE 2: LICENSING REQUIREMENTS AND FEES FOR GAMING SERVICE VENDORS AND NON-GAMING SERVICE VENDORS.

(A) License Required. Any person proposing or bidding to supply any gaming equipment, devices, supplies or other “Gaming Service” as defined in the Tribal Gaming Ordinance #97-400-01, must first obtain a Gaming Vendor’s license or a Non-Gaming Vendor’s license.

(B) License Application Fees. The following nonrefundable license application fees shall be submitted to the Gaming Commission, together with the required application forms described in paragraph (D), for the corresponding license classification to which the fees relate:

1. For a Gaming Vendor whose projected annual sales to the Tribe’s Gaming Enterprise is or will be equal to or less than Fifty Thousand Dollars ($50,000.00), the application fee shall be $500.00.

2. For a Gaming Vendor whose projected annual sales to the Tribe’s Gaming Enterprise is or will be more than Fifty Thousand Dollars ($50,000.00) but equal to or less than Two Hundred Fifty Thousand Dollars ($250,000.00), the application fee shall be $1,000.00.

3. For a Gaming Vendor whose projected annual sales to the Tribe’s Gaming Enterprise is or will be more than Two Hundred Fifty Thousand Dollars ($250,000.00), the application fee shall be $2,000.00.

4. If the vendor does not know the total dollar amount of the vendor’s anticipated or proposed annual sales to the Gaming Enterprise within the twelve (12) month period for which the Vendor’s License will apply, then the vendor shall make a good faith estimate of the dollar amount of the projected sales and describe the basis for such estimate.

5. An additional background investigation charge may be assessed by the Gaming Commission to the extent the Commission’s actual investigative costs exceed the applicant’s application fee. The Commission staff shall consult with the applicant to minimize the costs associated with completing the background investigation consistent with the Commission’s responsibilities under the Gaming Ordinance. Unless otherwise determined by the Gaming Commission, a Vendor’s License (including a Provisional License) shall not be issued until payment of any additional investigation expenses are received by the Commission. In the event the actual investigation costs assessed under
this subrule are less than the investigation fees assessed, the remaining balance of the background investigation shall be refunded to the applicant licensee or applied to the License Fee established under subrule (D).

(6) For all Non-Gaming Vendors whose projected annual sales to the Tribe’s Gaming Enterprise is or will be equal to or more than Twenty-five Thousand Dollars ($25,000.00), the application fee shall be $100.00.

(C) Contents of Application.

Any applicant for a Gaming Vendor’s license shall furnish to the Commission:

(1) A list of all equipment, devices, supplies and services offered for sale or lease in connection with Class III gaming;

(2) A completed description of the person’s business, contained in the “Vendor Disclosure Form” obtained from the Commission; and

(3) Written certification, in compliance with Gaming Commission rule, that the supplies, devices and equipment confirm to Commission standards.

(4) A list of all jurisdictions in which the Gaming Vendor has applied for licensure and all jurisdictions in which the Gaming Vendor holds a current and valid gaming license. Gaming Vendors not holding current and valid gaming licenses from any of the jurisdictions listed in sub-rule (H) shall also be required to complete Personal History Disclosures for all “control persons” identified in the “Vendor Disclosure Form”.

Any applicant for a Non-gaming Vendor’s License shall furnish to the Commission:

(1) A list of all equipment, devices, supplies and services offered for sale or lease in connection with the Gaming Facility.

(2) A completed description of the person’s business, contained in the “Vendor Disclosure Form” obtained from the Commission.

(D) The following license fees shall be submitted to the Gaming Commission by the applicant or licensee upon initial issuance of the Gaming Vendor License and for each subsequent renewal of the License under this rule:
(1) For a Gaming Vendor whose projected annual sales to the Tribe’s Gaming Enterprise is or will be equal to or less than Fifty Thousand Dollars ($50,000.00), the License Fee shall be $250.00.

(2) For a Gaming Vendor whose projected annual sales to the Tribe’s Gaming Enterprise is or will be more than Fifty Thousand Dollars ($50,000.00) but equal to or less than Two Hundred Fifty Thousand Dollars ($250,000.00), the License Fee shall be $500.00.

(3) For a Gaming Vendor whose projected annual sales to the Tribe’s Gaming Enterprise is or will be more than Two Hundred Fifty Thousand Dollars ($250,000.00), the License Fee shall be $1000.00.

(4) For any Non-gaming Vendor, who has paid the $100.00 license application fee, no additional License Fee shall be charged.

(E) **Grounds for Refusal to Issue License.** A person, firm or corporation is ineligible to receive a suppliers license if any of the following exist:

1. The person has been convicted of a felony under the laws of Michigan, any other State, or the United States within the 5 years preceding the application for license;

2. The person has been convicted of or entered a plea of guilty or no contest to a gambling-related offense, or to fraud or misrepresentation;

3. The person is a member of the Gaming Commission;

4. The firm or corporation is one in which an officer, director or managerial employee is ineligible for a license under subsec. (1) through (3), above;

5. The firm or corporation employs a person who participates in the management or operations of the Tribe’s Class III gaming;

6. The firm or corporation has an officer, director or managerial employee who submitted the license application which contains false or misleading information; or

7. The person, firm or corporation is associated with organized crime.
LITTLE RIVER BAND OF OTTAWA INDIANS
GAMING COMMISSION RULES

(F) Effect of License. The holder of a vendor’s license is authorized to sell or lease, and to contract to sell or lease, gaming equipment and supplies unique to gaming to the Tribe’s Class III gaming facilities for a period of one year from the date of issuance.

(G) Equipment Used in Unauthorized Facility. Any supplier’s equipment, devices or supplies which are used by any person in a gaming operation not authorized by the Tribe and the Commission shall be confiscated by the Commission.

(H) Provisional License. The Commission may, at its discretion, issue a 90-day provisional license to any applicant who provides written documentation that it holds a current gaming vendor’s license from the States of Colorado, Michigan, New Jersey, Nevada or South Dakota, or from the Bay Mills Indian Community, Grand Traverse Band of Ottawa and Chippewa Indians or the Saginaw Chippewa Tribe, and who has submitted the appropriate license application fee. This amount will be credited to the license fee due under Section (D) of this Rule. The date of issuance of the provisional license shall also be the starting date for the annual license.

(I) License Renewal. A vendor who has received a license under this Rule may obtain a renewal license upon written application for such renewal license, which shall clearly state any change in ownership, location, employees, or any other subject listed in the application from that of the previous year. A license renewal fee shall accompany the application, which shall be:

(1) For vendors with no significant change indicated in the renewal application, a fee calculated as ten percent of the license application fee paid under Section (B);

(2) For vendors with a significant change indicated in the renewal application, a fee calculated as established in Section (B).
RULE 3: DESIGNATION OF PRIMARY MANAGEMENT OFFICIALS AND KEY EMPLOYEES

Reference to Gaming Ordinance #97-400-01

(A) Terms Defined. The following positions are hereby determined to have "primary management official" and "key employee" status as defined by Section 1.24 of the Gaming Ordinance:

"Primary Management Officials":

1. General Manager;
2. Chief Financial Officer;
3. Director of Casino Operation;
4. Director of Marketing;
5. Director of Security and Surveillance;
6. Director of Human Resources;
7. Cage Manager;
8. Information Systems Manager; and
9. All other persons having management responsibility for a management contract.

"Key Employees":

1. "Casino Shift Managers"
2. "Assistant Casino Shift Managers"
3. "Slot Performance Manager"
LITTLE RIVER BAND OF OTTAWA INDIANS
GAMING COMMISSION RULES

(4) “Cage Supervisors”
(5) “Accounting Manager”
(6) “Purchasing Manager”
(7) “Security Supervisor”
(8) “Director of Facilities”
(10) Revenue Re-Cap Auditor.
(11) Tracking System Analyst
(12) Cashier Manager
(13) Dual Rate Supervisors
(14) Cashier Shift Supervisors
(15) All Table Games Operations Employees
(16) Slot Technicians
(17) Slot Performance Supervisors
(18) Count Room Personnel
(19) All Surveillance Employees
(20) Food and Beverage Director
(21) Bartenders
(22) All persons involved in Shipping/Receiving of Gaming Supplies and Equipment.
All employees in the following categories shall be considered “Gaming Employees”:

(1) Gaming cashiers (not in Count Room)

(2) Casino Host

(3) Employment Manager

(4) Computer Operator

(5) Slot Operations/Performance Employees not defined as “Key Employees”

(6) All Security Employees

The Gaming Commission retains the right to add to the “Key Employee” Status any position deemed necessary.
LITTLE RIVER BAND OF OTTAWA INDIANS
GAMING COMMISSION RULES

RULE 4: LICENSE ISSUANCE AFTER LAPSE IN EMPLOYMENT

(A) New License Required. A person who has previously been licensed by the Gaming Commission for any position and has subsequently terminated employment for any reason during the license period must apply for and obtain a new license under Section 13 of the Little River Band Gaming Ordinance.

(B) Fee for Background Check. Any person applying for a new key position license within one (1) year of the issuance by the Gaming Commission of a gaming license to said person shall pay 50% of current fee for the costs of conducting a criminal history background check. After one (1) year applicant shall pay the then current fee for new employee. Said fee shall accompany the person’s application.
LITTLE RIVER BAND OF OTTAWA INDIANS
GAMING COMMISSION RULES

RULE 5: PROHIBITION ON GAMING BY GAMING COMMISSIONERS, COMMISSION STAFF, ALL GAMING EMPLOYEES AND CERTAIN TRIBAL OFFICIALS.

Reference to Tribal Gaming Ordinance #97-400-1, Section 1-L

(A) No member or employee of the Little River Band Gaming Commission shall engage in any gaming activity at any facility licensed by the Commission.

(1) Penalty for Violation. Any person subject to this Rule shall be subject to the following penalties for engaging in unauthorized gaming;

(a) An employee of the Commission shall be terminated from employment.

(b) A member of the Commission shall be subject to removal under sec. 4.07 (a) of the Gaming Ordinance of the Little River Band.

(c) Any person found to have violated this Rule shall be banned from any gaming facility license by the Gaming Commission for a period of one (1) year from the date of termination or removal of office.

(B) Any employee on site of Casino, employed by either the Gaming Management and/or the Tribe is prohibited from engaging in any type of gaming activity conducted by the facility whether he/she is licensed or not.

(1) Penalty for Violation. Any person subject to this Rule shall be subject to license suspension and/or termination by the Gaming Commission under Section 14.02 (a) (4) (5) and Section 14.03 (a) (4) (5) of the Little River Band Gaming Ordinance.

(C) The Tribal Ogema, all members of Tribal Council, and all members of the Tribal Judiciary shall be prohibited from engaging in any gaming activity at site of Little River Band Casino.

(1) Penalty for Violation. Any person found to have violated this rule shall be banned from any gaming facility licensed by the Gaming Commission for a period of one (1) year from date of such violation, plus any other punitive action taken by the Tribal Council and or Tribal Court.
RULE 6: RESTRICTIONS ON LICENSE TRANSFERS

(A) **Transfer of License.** A person licensed by the Gaming Commission for a particular position as a “key employee” or “primary management official” may transfer to another position with the written approval of the Gaming Commission, with the exception of surveillance [see, subsec. (B) herein].

(B) **Transfer Prohibited.** No person who is licensed as “surveillance” may transfer to any other position in that gaming facility location for which a gaming license is required by the Gaming commission, unless or until the Gaming Manager attests in writing to the Commission that the surveillance camera array has been modified from that used during said person’s employment as surveillance.
RULE 7: SUSPENSION OF LICENSE FOR CRIMINAL CONVICTION

(A) Conviction Leading to Suspension. The Gaming Commission shall suspend any gaming license issued to any person who is convicted of a crime, as such is defined in Sections 4 (D) (2) and 4 (D) (3) and 4 (D) 4 of the Compact with the State of Michigan while that person is employed at any Tribal Gaming Facility;

(B) Effective Date of Suspension. The Commission shall suspend the gaming license as follows:

(1) For those offenses listed in Section 4 (D) (2) of the Compact, the Commission shall suspend its license immediately and notify the licensee's supervisor of the action. Such notification shall be made immediately upon receipt by the Commission of information that the licensee has been convicted of an offense subject to Section 4 (D) (2). Notification to the licensee shall advise that the license will be terminated for the commission of such offense, under the provisions of Sec. 14.2 of the Gaming Ordinance.

(2) For those offenses listed in Section 4 (D) (3) of the Compact, the Commission shall suspend its license 15 days after notification to the licensee's supervisor of the action. Such notice shall be made immediately upon receipt by the Commission of information that the licensee has been convicted of an offense subject to Section 4 (D) (3). Notice to the licensee shall advise that the license will be terminated for the commission of such offense in 15 days, unless the licensee receives a waiver of the employment barrier or a pardon for said offense prior to that time, and so advises the Gaming Commission.
RULE 8: TECHNICAL STANDARDS FOR ELECTRONIC GAMES OF CHANCE

(A) Hardware and Software Requirements. Any electronic game of chance installed in a facility licensed by the Commission shall meet the hardware and software technical standards of either the State of Nevada or the State of New Jersey.

(B) Certification. Each electronic game of chance, or a prototype thereof, shall be tested, approved and certified by a gaming test laboratory as meeting the requirements of sec. (A), prior to its installation in a facility licensed by the Commission. The Commission shall accept such certification from any laboratory operated by or under contract with the States of Nevada, New Jersey, South Dakota, Colorado, Michigan or Mississippi.

(C) Testing of Games of Chance. If required by the gaming test laboratory, the Commission shall require the manufacturer or distributor or an electronic game of chance to transport not more than two (2) working models of such game and related equipment to a location designated by the laboratory for testing, examination and analysis. The manufacturer or distributor shall pay for any and all costs for the transportation, testing, examination and analysis. Said testing may include the entire dismantling of the electronic game of chance and related equipment, and some tests may result in damage or destruction to one or more electronic components of the devices. If required by the laboratory, the manufacturer shall provide specialized equipment or the services of an independent technical expert to assist with the testing, examination and analysis.

(D) Manufacturer / Distributor Certification of Conformity. The manufacturer or distributor of each electronic game of chance which is proposed to be installed in a facility licensed by the Commission shall certify, in writing, that upon such installation, each electronic game of chance:

1. Conforms precisely to the exact specifications of the electronic game of chance prototype testing and approved by the gaming test laboratory; and

2. Operates and plays in accordance with the technical standards adopted in sec. (A), above.

(E) Information on Each Game to be Maintained. Prior to installation of an electronic game of chance in a facility licensed by the Commission, the manufacturer or distributor shall report to the Commission the following information for each such game, including, but not limited to:
LITTLE RIVER BAND OF OTTAWA INDIANS
GAMING COMMISSION RULES

(1) The type of electronic game of chance;

(2) The game’s serial number;

(3) The game’s manufacturer;

(4) The person from whom the game was acquired, the means by which the game was transported into the State of Michigan, and the name and street address of any common carrier or other person transporting the game;

(5) The certification required under sec. (D), above;

(6) The Erasable Programmable Read Only Memory (EPROM) chip’s identification number;

(7) The location in which the game will be placed; and

(8) The date of installation.

(F) Notification of Removal from Play. Upon removal of an electronic game of chance from a facility licensed by the Commission, the Operator shall report in writing to the Commission the following:

(1) The date on which the game was removed;

(2) The game’s destination; and

(3) The name of the person to whom the equipment is to be transferred, including the person’s street address, business and home telephone numbers; the means by which the game is to be transported and the name and street address of any common carrier or the person transporting the game.
RULE 9: ELECTRONIC GAME OF CHANCE MINIMUM PAY OUTS

(A) **Software Requirements for Percentage Pay Out.** Each electronic game of chance must meet the following minimum theoretical percentage pay out during the expected life time of the game:

(1) **Game not affected by play skill.** Electronic games of chance with game outcomes not affected by player skill shall pay out a minimum of 80 percent of the amount wagered, including replays. The theoretical pay out percentage shall be determined using standard methods of probability theory. For the video game of keno, the theoretical pay out percentage requirements apply to each number of spots marked, but in no instance less than 75 percent for each wager.

(2) **Games affected by player skill.** Electronic games of chance that are affected by player skill, such as draw poker and blackjack, shall pay out a minimum of 83 percent of the amount wagered, including replays. This standard is met when using a method of play which will provide the greatest return to the player over a period of continuous play.

(B) **Minimum Probability Standard for Maximum Pay Out.** Each electronic game of chance shall have a probability of obtaining the maximum pay out which is greater than 1 in 17,000,000 (one in seventeen million) for each play.