May 7, 2004

Robert A. Luciano
President, Sierra Design Group
300 Sierra Manor Drive
Reno, NV, 89511

Re: Sierra Design "Mystery Bingo" Game Classification Opinion

Dear Mr. Luciano:

This responds to the letter of April 7, 2004, from Joseph Webster, Esq., on behalf of Sierra Design, requesting our advice on whether certain specified changes to the manner of play of "Mystery Bingo" would affect our determination that the game qualifies as Class II gaming under the Indian Gaming Regulatory Act. Mr. Webster's letter of April 29, 2004, provided additional information and justification for the proposed changes. We provided an advisory classification opinion letter regarding Mystery Bingo on September 26, 2003.

We agree that the first of two changes proffered in Mr. Webster's April 7, 2004, letter would not affect our classification determination. This change returns a free space to the middle of the bingo card grid in place of a numbered space and provides for three numbered balls to be given to player in the first release rather than four. While this is not a significant change affecting the play of the game, it does eliminate the possibility that a player can win the four corner progressive prize after the first release of numbers. This feature of the game had been an exception to our view that the award of prizes should follow a minimum of two such draws and/or releases.

We are continuing to review the second change proposed in Mr. Webster's letter of April 7, 2004, that would allow all prizes in the game to be awarded following the second ball draw and release.

For clarification, the version of Mystery Bingo covered by our Class II determination is that version described in our letter of September 26, 2003, with two modifications: the change to the prize structure approved in our letter of April 2, 2004,[1] and the change described in the second paragraph above. We set out the current approved description of the game in the attachment to this letter.

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[1]The letter of April 2, 2004, was based on a proposal set out in a letter from Mr. Webster dated January 7, 2004, and further described in letters dated February 13, 2004, from Mr. Webster, and March 16, 2004, from Rob Miller of Sierra Design.

The report from GLI which will be validate the game description and provide a software signature should be based on the description in the September 26, 2003, letter, as modified by our two subsequent letters.[2] We again encourage Sierra Design to conclude its field test of this game and make it available to tribal gaming operations as soon as possible.

Sincerely,

Penny J. Coleman
Acting General Counsel

Copy to:
Joseph Webster, Esq. (Hobbs Straus, Dean & Walker)
Todd Elasser (GLI)

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[2] GLI advised in a letter dated April 30, 2004, that on April 26, 2004, they received a second version (2.21) from Sierra Design and that an earlier version (2.20a) was withdrawn. The version that is "approved" as a Class II game is not version 2.21. That version contains the change that we still have under review. A new numbered version should be submitted to GLI that contains only the game described in the attachment. This is the version discussed in on our opinion letter of September 26, 2003, with the changes discussed in our letter of April 2, 2004 and this letter.

MYSTERY BINGO

May 7, 2004

Description of the Mystery Bingo System

SDG offers "Mystery Bingo" as a linked bingo system using technological aids. The game can be provided to gaming facilities in various formats. The formats exist within common software and are distinguishable by the additional features programmed for the game. Use of specific features may be elected by the gaming facility and incorporated into game play. The format provided to the NIGC played the game at its most basic level. We observed other features in play at a tribal gaming facility that hosted a demonstration in connection with our review.

Mystery Bingo is played electronically on a networked system of components.

- Participation at the player level is accomplished through player terminals that can be physically configured in a wide range of appearances. Regardless of the packaging, the player terminal includes a computer element with processor memory and input-output capabilities, an electronic display of a bingo card along with other graphics that are billed as entertainment features by SDG, touch screen and/or buttons to enable selection of bingo cards and other game options, communication mechanisms to allow communication with a "Bingo Game Controller," and a printer to enable dispensing of bar-coded vouchers representing player funds at conclusion of bingo play or after a large prize win. The player terminal also contains a currency/bar code voucher acceptor that facilitates the purchase of game-play credits, and an audio system.

- The "Bingo Game Controller" is a computer that coordinates and connects participants in the bingo game. It communicates with player terminals and with a "Bingo Game Managers" on a network.

- The "Bingo Game Manager" is a computer that electronically determines numbers for use in the game. This device communicates with player terminals through the "Bingo Game Controller" via the network. It assigns bingo cards and enables the control of multiple simultaneous bingo games. The device acts primarily as a coordinator. It groups each game play request received from player terminals via the "Bingo Game Controller" with a matching request from other player terminals. When the "Bingo Game Manager" first receives a game play request, it categorizes the request based on the number of participants required before a game can take place, the game theme, the denomination and the buy in level.

The system contains two other components not directly related to game classification. The SDG Accounting systems contains multiple computers and network components that support the active game elements—the player terminals and "Bingo

Game Controller." The SDG Cashless system allows the player terminals to issue voucher tickets. These tickets carry credits and can be re-inserted into other player terminals in the system or redeemed for cash at a cashier terminal.

According to SDG materials, the Mystery Bingo System requires competition between players in the game of bingo accomplished through the player terminals connected to the network. The system would also allow for connection to other gaming facilities in an effort to broaden competition. Mystery Bingo has two layers of network. Bingo player terminals are connected to one another by use of RS-485 serial connections, or by Ethernet connections. In the case of serial connections, terminals are connected in a daisy chain fashion from terminal to terminal. The ultimate terminal in a series is directly connected to the "Bingo Game Controller." Each "Bingo Game Controller" is then connected via Etherernet connections to the "Bingo Game Manager" and central server. According to representations by SDG on which we rely, no component of the network (i.e. player terminal or "Bingo Game Controller") will function without the physical and logical connection to the network.

Each "Bingo Game Controller" is connected to a sub-net of player terminals. Each "Bingo Game Controller" is connected to one or more "Bingo Game Managers." The "Bingo Game Manager" groups players into common games. Games may be played between player terminals on a single "Bingo Game Controller" or among player terminals connected to different "Bingo Game Controllers." The "Bingo Game Manager" will locate players for a game in the facility. The players are then combined into a single game across multiple "Bingo Game Controllers."

Game play for the player is on a video screen at the player terminal. The Mystery Bingo System uses a standard size video screen at the player terminal measuring 19 inches along the diagonal. The video screen contains the depiction of a bingo card—a grid bearing numbers. The game card provided in this review contained a grid of five horizontal rows and five vertical columns of numbers. The center box is a free space. The bingo card is located near the top of the screen along a center vertical line. The exterior of the bingo card measured 2 inches by 2 inches. The interior measurement is 1 and 7/8 inches by 1 and 7/8 inches. When the game begins, the bingo card has a white background, red lines defining the grid, and black numbers in a 22-point font.

The video screen also displays a spinning reel graphic of icons. Each column of icons appears to rotate when the game is played. The graphic presented for this review carried a 5-reel 9-line theme entitled "Pocket Change" and the icons conveyed that theme. According to the GLI report, there are presently 17 available game themes.

The video screen also contained a box to display numbers that are drawn for game play, the total number of balls drawn for the game, the number of balls necessary to reach each space of the straight-line bingo pattern, the player's bingo score for the straight-line pattern covered, the value of the progressive prize, the game number, the credits available to the player, the number of credits to be bet in the game, the number of credits won if the player wins, and "buttons" to assist in play the game.

Game Play

Mystery Bingo games are played among players on a central system. They compete for prizes and for a progressive jackpot. A minimum of two players must request play for a game to begin. A new game will begin after a configurable period of time if the minimum number of players has requested admission. There is no maximum number of players in any game except as limited by the number of player terminals connected to the system. The players compete for a game-winning pattern that in Mystery Bingo is a straight-line bingo, obtained as a horizontal, vertical, or diagonal lineup of five numbers. The game is "won" when the first player obtains a winning bingo pattern defined as a straight line of five numbers on the bingo card and who then covers or "daubs" those numbers.

A player may also win a progressive prize by obtaining a four-corner pattern with the first four balls drawn. Consolation prizes may also be awarded based on additional balls that are drawn after the first winning bingo pattern is obtained. A player must also obtain a straight-line bingo pattern to win a consolation prize. When a bingo tie occurs (two or more players achieve a bingo on the same number) each player will receive a portion of the prize they would have won if they had been a single winner.

A short description of the prize structure for the game was provided to NIGC in connection with its review of the game. The amount won is based on the number of bingo balls necessary to achieve the bingo. Each straight-line pattern consists of five spaces. The first player to cover a straight-line bingo pattern wins the game. To determine the prize that the player has won, the total number of balls drawn for each numbered space making up the straight-line bingo are counted and then multiplied together, producing a bingo score. The bingo score is compared to a fixed prize table with established ranges of prizes. Players receive the prize associated with the range their score falls into. A player can view the prize table on the monitor at the player station.

SDG offered an example of how this prize structure might operate. A game could have the first space covered on the second ball drawn, the second space covered on the third ball drawn, the third space covered on the seventh ball drawn, the fourth space covered on the eighth ball drawn, and the fifth space covered on the eleventh ball drawn. The winning player would obtain a bingo score of 3,696 (i.e., $2*3*7*8*11=3,696$). A bingo score in the range between 3,600 and 3,700 might entitle the player to a prize of 100 credits. In this game, then, the winner could win 100 credits.

In the base version of the game provided to NIGC, there is one buy-in level for each game. In this version, a player plays against other players at the one-buy-in level. In the multiple buy-in versions, players at different buy-in levels compete against each other in the same game with the same ball draw, although there are different prize awards possible based on the level of buy-in. Some games may also offer different card types

that relate to different game themes. However, these cards are understood to retain the same grid discussed above.

To begin play, a player inserts money or a ticket voucher at the player terminal and obtains game credits. The player then selects a buy-in amount. Different buy-in levels are selected by making a touch selection on the video screen. The players are given a bingo card, as described elsewhere in this opinion, on entry into the game. The player can use this card or change the card before entering a game. To select another card, the player touches the video screen at the card location and a new card with another grid of numbers will appear. Each card is different and duplicate cards will not be made available for play in any single game. The number of cards available is limited only by the mathematical possibilities in the distribution of numbers in the configuration described.

To enter a game, the player presses the "play" button. A message appears on the video screen at the player terminal indicating the player must wait for additional players if enough players are not enrolled in the game. Two players were required for play to begin in the configuration presented to NIGC. Entry of additional players continues for a configurable period of time, discussed elsewhere in this opinion. The game begins after enrollment is complete. As play begins, bingo numbers are randomly drawn by the "Bingo Game Manager," meaning the computer electronically determines the numbers in a specific order. The first ball draw consists of three numbers. These numbers are displayed to the player. The ball-draw display will pause for a "daub" opportunity after the first three balls are drawn. The "ball draw" of numbers continues until the first potential winning bingo pattern is achieved. The "Bingo Game Manager" makes this determination by comparing the bingo cards in play to the numbers as they are drawn and stops the draw after one or more cards are known to contain a straight-line pattern. SDG provided its assurance that the assignment of player cards and the "ball draw" or random selection of numbers are independent events and that the software for the "ball draw" does not allow a deviation in the sequence of numbers drawn in the "ball draw" so as to eliminate or minimize a prize payout.

Each player terminal will produce audible sound and a visual display on the screen when a potential bingo occurs. A visual display instructs each player to "daub" the bingo card. This is accomplished by the player touching either the on-screen card, an on-screen "button," or a button on the console prescribed for this purpose. A player need not wait for the visual instruction but may "daub" at any time after the game begins to "cover" the numbers drawn that appear on the player's card by touching the card, the on-screen "button," or the console button. A winning player has a pre-established time to hit the "daub" button or touch the screen to "daub" the card and claim the prize. All players must "daub" to complete the game, although a winning player will not need to wait for other players to "daub" before obtaining a game result.

A player who fails to "daub" a winning pattern within the time allotted will "sleep" the bingo, that is, forfeit the prize that was won. The "Bingo Game Manager" will draw additional balls until another winning straight-line pattern is obtained on a

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bingo card that is participating in the game. The player holding that card will win the same prize that was forfeited when the bingo was slept provided the player "daubs" within the time limit. The bingo score of the first winning player who slept the bingo will be used to determine the prize rather than the bingo score of a subsequent winner. If players again "sleep" a bingo, the game continues but the winning prize awarded will always be the prize that was forfeited when the first bingo was slept. A small "z" appears on the bingo card near the slept bingo as a sign to the player.

The game ends when the last straight line bingo prize for that game is awarded. The last prize cannot be slept. There is unlimited time to daub and claim a prize after the seventy-fifth ball is drawn for the player with a winning card for the game-winning prize or for a consolation prize if the game-winning prize has been awarded previously. For the final player to exit the game, and participate in another game, the player must claim the prize.

A player claims the credits won in a game at the same time the player daubs the winning bingo pattern. All players will have the opportunity to enter a new game after their "daub." A separate action is required to exit a game and request participation in a new game.

From a system perspective, if the minimum enrollment for a game to begin has been met, the ball draw begins when the last player is entered. The bingo numbers are determined by the "Bingo Game Manager" in randomly drawn sets from a pool of bingo numbers from 1-75. The initial set contains three numbers. The next set contains the bingo numbers necessary to allow a potential bingo in that game, based on the cards in play. Once determined, the initial set of numbers is transmitted instantly for display to the player stations in use for that game. The operation of the bingo system is configured to prompt all participating players to press the "daub" button after each set of bingo numbers is displayed. In addition, a player may not enter a new game until the player has daubed at the conclusion of the ball draw for the game in progress.

An animated sequence displays an array of spinning reels and symbols that stop on the appropriate pattern for the value of the prize won (if any) in the bingo game. The animated sequence begins at the same time that the bingo game begins. In either version, the animated sequence never shows the game outcome before the bingo game results are shown on the bingo card. The bingo results remain displayed on a bingo card in the upper middle of the screen until a player selects a new card for the next game or until the next game begins.

According to our best information, including a specific assurance from SDG and as indicated in the report from GLI, the animated sequence of spinning reels has no effect on the game of bingo and is there for player entertainment. The symbols on the reels are chosen from the pay table combination to correspond with the winning bingo previously determined from the bingo game. In other words, a prize is given for a winning straight-line bingo. The prize has a numeric value. Relying on that numeric value, a

corresponding arrangement of icons is presented on the visual reel display as a winning combination.

The credits won by a player in the game are awarded and shown on the video screen by an increase in the total credits available to the player. The "total credits available amount" is updated when the player buys into another bingo game. A player with credits remaining may discontinue play at a player terminal by pressing the "Cash out" button. A printer within the player station will produce a ticket voucher for the remaining credits that is presented to the player. Ticket vouchers can be inserted into another player terminal for additional play or may be redeemed at the cashier's station for cash.

The bingo card remains visible to the player at all times during the game. The card is royal blue and is distinguishable from other surface areas on the screen. The bingo grid on the card contains a white background and a red grid outline with black numbers in each box. The background changes colors during game play for the numbers that are called. First the background color for the numbers selected changes from white to orange when the numbers are determined. After a player "daubs" the card by pressing the daub button or touching the "daub screen now" message on the video screen, the numbers on the card matching the numbers drawn change colors from black on a white background to white on a red background. Finally, if the player successfully "covers" the numbers making up the winning pattern, the colors change from white on a red background to black on yellow background, flashing every .25 seconds to highlight a bingo win.

Following the "ball draw" and the appearance of the numbers on the video screen, as an alternative to the visual animation, a player may obtain the results of play by hitting the "print" button instead of the "daub" button or the on-screen "daub" message. The player receives a "bingo ticket" with a bar code and a listing of the numbers drawn. The player may redeem the ticket with a cashier or insert it into a player terminal for further play.

Changes made to the game

The game as evaluated reflects these features, summarized briefly, as follows:

- Although Mystery Bingo requires a minimum of two players for entry into a game, in the version presented to NIGC, the configurable time interval available to enter any particular game was limited from the time the second player obtained entry until the entry opportunity closed and the game began. In an effort to "broaden participation," we requested the configurable time interval available for player entry into any particular game be expanded. SDG responded by including a mathematical algorithm that varies the enrollment period based on the number of active terminals in play on the system. With fewer terminals active, the algorithm lengthens the enrollment period to accommodate more players and thus broaden the participation.

- At least two ball draws, or two releases from a single draw, occur before the winning bingo pattern can be obtained. Only the first three balls will be selected in the initial ball draw. All players will have a "daub" opportunity at that point in the game. The remaining balls will be selected in a second or subsequent ball draw.

- An adjustment added a "daub" requirement for all players when a potential bingo occurs for any player. Following the change, each player now "daubs" the card to determine whether he or she is a winner.

- The animated sequence of spinning reels at the time the bingo game begins rather than at the time the bingo game ends. The animated sequence will not end until after the bingo game ends and a player has daubed the bingo card. The animated sequence will not show the game outcome before the bingo game results are shown on the bingo card.

END