

ELECTRONIC CHARITY GAME AND PULL TAB TICKETS

VANGUARD ENTERTAINMENT

OVERVIEW

- Evolution of Case Law in Federal and State Courts
- Technology Advances
- Regulatory Issues
- Political Considerations
- Cash Management, Security and Reporting
- New Game Products

Evolution of Case Law

- The system is an updated form of an existing game
- Electronic tickets are equivalent to paper tickets
- System is not a slot machine

Technology Advances

- Central Determinant System
- Ability to adjust game system to existing or proposed regulation/statutes
- Use existing game titles for play
- Cost effective implementation
- Use of centralized electronic reporting for regulators

Regulatory Issues

- Analyze existing state framework
- What devices are permitted
- What devices are prohibited
- Where are regulations silent

Political Considerations

- Is the jurisdiction a “gaming state”
- Political influence of tribes and commercial gaming interests
- Influence of lottery or charitable gaming
- Environment for expanding gaming
- Market considerations related to R & D

Cash Management and Reporting

- Significant advantage to electronic ticket conversion
- Ease of cash tracking and reporting for charities
- Enhanced regulatory oversight
- Centralized reporting website via secured internet connection
- Paper and Electronic reporting

New Game Products

- System Components: Manufacturing Computer, Control Station and Player Terminal
- Ticket inventories generated by Manufacturing Computer in a variety of denominations either on-site or remote location.
- Ticket deal downloaded to Control Station
- Tickets distributed from Control Station to Player Terminals on Player demand

Product Demonstration

- Developed as conceptual product using Michigan Charity Game Tickets as basis
- Not approved or sanctioned by the state
- Provides a basis of understanding as to how a product can be created to meet existing or proposed regulations

Summary

- Case law has evolved in a manner that expands the use of electronic gaming for charitable and lottery markets.
- Advances in technology creates flexibility and cost efficiencies in new games.
- Main barriers to implementation political
- Main advantages to system is enhance revenues, enhanced reporting and regulation