

Title 13: Gaming

Part 3: OPERATIONS

Part 3 Chapter 1: IN GENERAL

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 obtain a finding of suitability, any person who has been denied a state gaming license on the grounds of unsuitability or who has failed or refused to apply for a finding of suitability 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, employee 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 1.9 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 1.13 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; and suff

icient to reasonably protect the licensee's creditors and vendors against defaults on short-term 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 1.15 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 an investigation of suitability, pursuant to MGC Reg. Part 3 Chapter 7.

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

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~~ obtain a finding of suitability, 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~~ a finding of suitability 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, [employee](#) 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 1.9 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~~ 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 1.13 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; and sufficient to reasonably protect the licensee's creditors and vendors against defaults on short-term 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 1.15 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 an [investigation](#) ~~find~~ of suitability, pursuant to MGC Reg. ~~III~~, [Part 3 Chapter 7](#).

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

Source: *Miss. Code Ann.* § 75-76-3