

Chapter 2: LICENSES AND APPLICATIONS

SUMMARY: All persons participating in the operation, distribution, and maintenance of slot machines and slot machine facilities or casinos must apply for and be granted the appropriate license as specified by 8 M.R.S.A. §§ 1011-1020.

§1. Application – Slot Machine Operator

1. An applicant for a license to act as a Slot Machine Operator shall apply on forms specified by the Board. In addition to any information required by statute, application forms may require the applicant to provide the following:
 - A. The applicant's legal name, form of entity, the names, addresses, employer identification or social security numbers (if applicable) and dates of birth (if applicable) of its directors, officers, partners, owners, key executives and slot machine or casino operations employees, to the extent available.
 - B. A description of the applicant's organizational structure. This will include an organizational chart listing key executives and positions being held for gaming operations along with their duties and responsibilities.
 - C. With respect to any persons named in subparagraph (A) that are not individuals, the names, addresses, social security numbers, and dates of birth of all individuals who are directors, officers, owners, partners, key executives.
 - D. The percentages of shares of stock, if any, held by each person named in subparagraph (A) or subparagraph (C) above. The Director may, at his or her discretion, cause periodic reexamination of the percentage of shares held by persons subject to such disclosures under these regulations.
 - E. The names of all persons principally involved in the original creation of the applicant's enterprise.
 - F. Responses to questions designed to elicit information necessary for the Board to evaluate the qualification and suitability of the applicant pursuant to 8 M.R.S.A. Chapter 31, §1016, subsection 2.
 - G. Certified copies, including amendments, of the applicant's charter, bylaws, articles of incorporation, articles of organization, partnership agreement, including the amount and date of each capital contribution of any partner to the applicant, trust agreement, and other documents that document or explain the legal organization of the applicant.

- H. Unless a municipality, the name, address, and date of birth of the record owner of the premises or the property upon which the premises are located or, if the applicant is not the sole owner of the premises or property, the information required by subparagraph (A) above with respect to all persons having an ownership interest in the premises or property and copies of all agreements pursuant to which the applicant occupies the premises or property, as well as copies of all documents relating to the premises or property including, without limitation, all mortgages, deeds of trust, bonds, debentures, pledges of corporate stock and voting trust agreements, but excluding easements; utility agreements; subdivision and plot plans; and, for the period prior to three years before the filing of the application, deeds in the chain of title and satisfied mortgages.
- I. Certified copies of organizational minutes and/or other corporate records reflecting ownership and the election of officers.
- J. The information required by subparagraph (A) above as to any operator of any business conducted by such applicant and any other contractor (which is not a publicly traded entity, a public utility or a municipality) utilized by such applicant which has received compensation from such applicant in excess of \$100,000 for gambling-related services in any of the three (3) preceding fiscal years together with a copy of all agreements between such applicant and such operator or contractor and a statement of all compensation paid to such operator or contractor during said three-year period.
- K. Copies of the applicant's audited financial statements for the preceding three (3) fiscal years and a copy of internally prepared financial statements for the current fiscal year as at the close of the most recent fiscal quarter.
- L. If a corporation, annual reports and SEC filings, if any, for past 3 years and meeting minutes from past 12 months.
- M. Copies of the applicant's State and Federal tax returns for a period of three (3) fiscal years.
- N. Copies of the declaration pages of all insurance policies insuring the applicant or the premises.
- O. A copy of the Certificate of Authority to do business in the state of Maine, if incorporated outside of Maine.
- P. Copies of any Trade Name Registrations filed by the applicant.
- Q. The information required by subparagraph (A) above as to the ten (10) largest unsecured creditors which are not publicly traded entities or accounting firms or legal firms of the applicant who are owed more than \$25,000 by the applicant for a period in excess of sixty days.
- R. Any and all other information as the Director may require to determine the competence, honesty and integrity of the applicant as required by 8 M.R.S.A. Chapter 31.

S. The Slot Machine Operator shall certify by a sworn notarized statement that it has not entered and does not intend to enter into any joint venture, partnership or teaming agreement in order to fulfill its obligations in connection with the slot machine operations; that it has not entered and does not intend to enter into any agreement whereby the proceeds generated by any agreement between the Slot Machine Operator and the Board would be shared with one or more other persons. Provided, however, that a slot machine operator may enter into a management agreement with a third-party, who is not licensed under these regulations, for the operation of the slot machines on the operator's premises provided that: (1) the proposed management agreement is provided to and approved by the Board, and (2) the third-party complies with all these regulations which apply to slot machine operators, including without limitation the licensure requirements.

2. The application, as well as other documents submitted to the Board by or on behalf of the applicant for purposes of determining the qualifications of the applicant, shall be sworn to or affirmed before a notary public. If any form or document is signed by an attorney for the applicant, the signature shall certify that the attorney has read the forms or documents and that, to the best of his or her knowledge, information and belief, based on diligent inquiry, the contents of the form or documents so supplied are true.
3. To the extent, if any, that information of a material nature supplied in the application or otherwise supplied by the applicant or on the applicant's behalf, becomes outdated, inaccurate or incomplete, the applicant shall so notify the Board in writing as soon as it is aware that the information is inaccurate or incomplete, and shall at that time supply the information necessary to correct the timeliness, inaccuracy or incompleteness of the information.
4. The applicant shall cooperate fully with the Board and the Department with respect to its background investigation of the applicant.
5. The applicant shall submit with the application a proposed business plan for the conduct of slot machine operations. Such plan shall be submitted in conformity with a separate form specified and supplied by the Board. The plan shall include, without limitation, the following items: a floor plan of the area to be used for slot machine operations; the proposed placement of slot machines on the premises; the kind, type and number of slot machines proposed, provided however that the name of the manufacturer(s) of such machines shall not be included; money control procedures; a security plan; a staffing plan for slot machine operations; accounting and tax compliance procedures; and the method to be utilized for prize payments. The plan shall provide the details of any progressive jackpot games. The specification of the kind, type and number of the slot machines in the business plans shall make clear whether or not the devices are video versus spinning reel; coin-in/coin-out versus coin-in/ticket-out, etc. The plan shall also propose the generic games to be played on the devices (e.g., video poker, keno, bingo, blackjack, line-up games). The plan shall provide for payment for payout from slot machines such that the payouts have a minimum average daily aggregate payback percentage as required by the appropriate statute. Initial applicants shall submit the above to the extent known at the time of their application. Updated information should be submitted as it becomes available.
6. As soon as the Director has determined that the application is complete, the Director shall forward same to the Department which shall undertake and complete the background

investigation of the applicant, its officers, directors, partners, owners and key-executives. It will report its findings to the Board within six (6) months or such longer time as agreed by the applicant or as determined by the Board to be necessary for completion of the investigation due to circumstances documented by the Department.

7. The Board shall weigh the following factors in evaluating the application:
 - A. Whether the applicant satisfies the criteria outlined in 8 M.R.S.A. Chapter 31, Section 1016.
 - B. The extent to which, if any, the applicant would be subject to the control or influence of its activities by any person having a financial interest pertaining to the applicant, including a mortgage or other lien against property of the applicant or, who in the opinion of the Board, might otherwise influence its activities. In such case the Director shall consider the character, honesty and integrity of whoever has the ability to control or influence the activities of the applicant.
 - C. The degree to which the applicant has demonstrated its ability to finance the proposed slot machine operations, as well as the source of such financing.
 - D. The degree to which the applicant has supplied accurate and complete information pursuant to the requirements of this rule.
 - E. The extent to which the applicant has cooperated with the Board and the Department in connection with the background investigation.
 - F. Whether the person, or any of its officers, directors, partners, owners, key executives, or slot machine operations employees are known to associate with persons of nefarious backgrounds or disreputable character.
 - G. With respect to any past conduct which may adversely reflect upon the applicant, the nature of the conduct, the time that has passed since the conduct, the frequency of the conduct and any extenuating circumstances that affect or reduce the impact of the conduct or otherwise reflect upon the applicant's fitness for the license.
 - H. The adequacy of the applicant's business plan, as it reflects on the applicant's competency or capability to conduct slot machine operations in conformance with the requirements of these regulations.
 - I. Any other information before the Director, including substantially similar background investigations performed by other agencies or jurisdictions, that relate to the applicant's competency, financial capability, honesty, integrity, reputation, habits, or associations.

§2. Application – Casino Operator

1. An applicant for a license to act as a Casino Operator shall apply on forms specified by the Board. In addition to any information required by statute, application forms may require the applicant to provide the following:
 - A. The applicant's legal name, form of entity, the names, addresses, employer identification or social security numbers (if applicable) and dates of birth (if applicable) of its directors, officers, partners, owners, key executives and slot machine or casino operations employees, to the extent available.
 - B. A description of the applicant's organizational structure. This will include an organizational chart listing key applicants and positions being held for gaming operations along with their duties and responsibilities.
 - C. With respect to any persons named in subparagraph (A) that are not individuals, the names, addresses, social security numbers, and dates of birth of all individuals who are directors, officers, owners, partners, key executives.
 - D. The percentages of shares of stock, if any, held by each person named in subparagraph (A) or subparagraph (C) above. The Director may, at his or her discretion, cause periodic reexamination of the percentage of shares held by persons subject to such disclosures under these regulations.
 - E. The names of all persons principally involved in the original creation of the applicant's enterprise.
 - F. Responses to questions designed to elicit information necessary for the Board to evaluate the qualification and suitability of the applicant pursuant to 8 M.R.S.A. Chapter 31, §1016, subsection 2.
 - G. Certified copies, including amendments, of the applicant's charter, bylaws, articles of incorporation, articles of organization, partnership agreement, including the amount and date of each capital contribution of any partner to the applicant, trust agreement, and other documents that document or explain the legal organization of the applicant.
 - H. Unless a municipality, the name, address, and date of birth of the record owner of the premises or the property upon which the premises are located or, if the applicant is not the sole owner of the premises or property, the information required by subparagraph (A) above with respect to all persons having an ownership interest in the premises or property and copies of all agreements pursuant to which the applicant occupies the premises or property, as well as copies of all documents relating to the premises or property including, without limitation, all mortgages, deeds of trust, bonds, debentures, pledges of corporate stock and voting trust agreements, but excluding easements; utility agreements; subdivision and plot plans; and, for the period prior to three years before the filing of the application, deeds in the chain of title and satisfied mortgages.
 - I. Certified copies of organizational minutes and/or other corporate records reflecting ownership and the election of officers.

- J. The information required by subparagraph (A) above as to any operator of any business conducted by such applicant and any other contractor (which is not a publicly traded entity, a public utility or a municipality) utilized by such applicant which has received compensation from such applicant in excess of \$100,000 for gambling-related services in any of the three (3) preceding fiscal years together with a copy of all agreements between such applicant and such operator or contractor and a statement of all compensation paid to such operator or contractor during said three-year period.
- K. Copies of the applicant's audited financial statements for the preceding three (3) fiscal years and a copy of internally prepared financial statements for the current fiscal year as at the close of the most recent fiscal quarter.
- L. If a corporation, annual reports and SEC filings, if any, for past 3 years and meeting minutes from past 12 months.
- M. Copies of the applicant's State and Federal tax returns for a period of three (3) fiscal years.
- N. Copies of the declaration pages of all insurance policies insuring the applicant or the premises.
- O. A copy of the Certificate of Authority to do business in the state of Maine, if incorporated outside of Maine.
- P. Copies of any Trade Name Registrations filed by the applicant.
- Q. The information required by subparagraph (A) above as to the ten (10) largest unsecured creditors which are not publicly traded entities or accounting firms or legal firms of the applicant who are owed more than \$25,000 by the applicant for a period in excess of sixty days.
- R. Any and all other information as the Director may require to determine the competence, honesty and integrity of the applicant as required by 8 M.R.S.A. Chapter 31.
- S. The Casino Operator shall certify by a sworn notarized statement that it has not entered and does not intend to enter into any joint venture, partnership or teaming agreement in order to fulfill its obligations in connection with the casino operations; that it has not entered and does not intend to enter into any agreement whereby the proceeds generated by any agreement between the Casino Operator and the Board would be shared with one or more other persons. Provided, however, that a casino operator may enter into a management agreement with a third-party, who is not licensed under these regulations, for the operation of the slot machines or table games on the operator's premises provided that: (1) the proposed management agreement is provided to and approved by the Board, and (2) the third-party complies with all these regulations which apply to casino operators, including without limitation the licensure requirements.

T. The applicant shall provide proof that it meets all of the following eligibility criteria:

1. The casino is located on a parcel of land that is no less than 50 acres in size and located not more than:
 - i. Thirty miles from a Level I or Level II trauma center verified as such by the American College of Surgeons or successor organization;
 - ii. Fifteen miles from the main office of a county sheriff;
 - iii. Twenty-five miles from the main office of a state police field troop;
 - iv. Thirty miles from an interchange of the interstate highway system;
 - v. Ten miles from a fire station;
 - vi. Ten miles from a facility at which harness racing was conducted pursuant to a license from the State Harness Racing Commission for the 2009 racing year; and,
 - v. One-half mile from a state highway as defined in Title 23, section 1903, subsection 15.
2. Ownership of a facility that is within 10 miles of the proposed casino at which harness racing was conducted pursuant to a license from the State Harness Racing Commission for the 2009 racing year;
3. The casino is not located within 100 miles of a licensed casino or slot machine facility.
4. The casino is approved by voters of the municipality in which the casino is located by a referendum election or by a vote of the municipal officers at any time after October 1, 2009 and on or before December 31, 2011.
5. The slot machines and table games are located and operated in the casino.

For purposes of these criteria, distances are determined by measuring along the most commonly used roadway, as determined by the Department of Transportation.

2. The application, as well as other documents submitted to the Board by or on behalf of the applicant for purposes of determining the qualifications of the applicant, shall be sworn to or affirmed before a notary public. If any form or document is signed by an attorney for the applicant, the signature shall certify that the attorney has read the forms or documents and that, to the best of his or her knowledge, information and belief, based on diligent inquiry, the contents of the form or documents so supplied are true.

3. To the extent, if any, that information of a material nature supplied in the application or otherwise supplied by the applicant or on the applicant's behalf, becomes outdated, inaccurate or incomplete, the applicant shall so notify the Board in writing as soon as it is aware that the information is inaccurate or incomplete, and shall at that time supply the information necessary to correct the timeliness, inaccuracy or incompleteness of the information.
4. The applicant shall cooperate fully with the Board and the Department with respect to its background investigation of the applicant.
5. The applicant shall submit with the application a proposed business plan for the conduct of casino operations. Such plan shall be submitted in conformity with a separate form specified and supplied by the Board. The plan shall include, without limitation, the following items: a floor plan of the area to be used for slot machine operations and table game operations; the proposed placement of slot machines and table games on the premises; the kind, type and number of slot machines and table games proposed, provided however that the name of the manufacturer(s) of such machines shall not be included; money control procedures; a security plan; a staffing plan for slot machine operations and table game operations; accounting and tax compliance procedures; and the method to be utilized for prize payments. The plan shall provide the details of any progressive jackpot games. The specification of the kind, type and number of the slot machines in the business plans shall make clear whether or not the devices are video versus spinning reel; coin-in/coin-out versus coin-in/ticket-out, etc. The plan shall also propose the generic games to be played on the slots (e.g., video poker, keno, bingo, blackjack, line-up games) and shall also propose the generic table games (e.g. black jack, poker, dice, craps, etc.). The plan shall provide for payment for payout from slot machines such that the payouts have a minimum average daily aggregate payback percentage as required by the appropriate statute. Initial applicants shall submit the above to the extent known at the time of their application. Updated information should be submitted as it becomes available.
6. As soon as the Director has determined that the application is complete, it shall forward same to the Department which shall undertake and complete the background investigation of the applicant, its officers, directors, partners, owners and key executives. It will report its findings to the Board within six (6) months or such longer time as agreed by the applicant or as determined by the Board to be necessary for completion of the investigation due to circumstances documented by the Department.
7. The Board shall weigh the following factors in evaluating the application:
 - A. Whether the applicant satisfies the criteria outlined in 8 M.R.S.A. Chapter 31, Section 1016.
 - B. The extent to which, if any, the applicant would be subject to the control or influence of its activities by any person having a financial interest pertaining to the applicant, including a mortgage or other lien against property of the applicant or, who in the opinion of the Board, might otherwise influence its activities. In such case the Director shall consider the character, honesty and integrity of whoever has the ability to control or influence the activities of the applicant.

- C. The degree to which the applicant has demonstrated its ability to finance the proposed casino operations, as well as the source of such financing.
- D. The degree to which the applicant has supplied accurate and complete information pursuant to the requirements of this rule.
- E. The extent to which the applicant has cooperated with the Board and the Department in connection with the background investigation.
- F. Whether the person, or any of its officers, directors, partners, owners, key executives, or casino operations employees are known to associate with persons of nefarious backgrounds or disreputable character.
- G. With respect to any past conduct which may adversely reflect upon the applicant, the nature of the conduct, the time that has passed since the conduct, the frequency of the conduct and any extenuating circumstances that affect or reduce the impact of the conduct or otherwise reflect upon the applicant's fitness for the license.
- H. The adequacy of the applicant's business plan, as it reflects on the applicant's competency or capability to conduct casino operations in conformance with the requirements of these regulations.
- I. Any other information before the Director, including substantially similar background investigations performed by other agencies or jurisdictions, that relate to the applicant's competency, financial capability, honesty, integrity, reputation, habits, or associations.

§3. Application – Slot Machine Distributor

- 1. An applicant for a license to act as a Slot Machine Distributor shall apply on forms specified by the Board. In addition to any information required by statute, application forms may require the applicant to provide the following:
 - A. The applicant's legal name, form of entity, the names, addresses, employer identification or social security numbers (if applicable) and dates of birth (if applicable) of its directors, officers, partners, owners, and key executives and slot machine operations employees.
 - B. A description of the applicant's organizational structure. This will include an organizational chart listing key applicants and positions being held for gaming operations along with their duties and responsibilities.
 - C. With respect to any persons named in subparagraph (A) that are not individuals, the names, addresses, social security numbers, and dates of birth of all individuals who are directors, officers, owners, partners, key executives, or slot machine operations employees of any such persons.
 - D. The percentages of shares of stock, if any, held by each person named in subparagraph (A) or subparagraph (C) above. The Director may, at his or her

discretion, cause periodic reexamination of the percentage of shares held by persons subject to such disclosures under these regulations.

- E. The names of all persons principally involved in the original creation of the applicant's enterprise.
- F. Responses to questions designed to elicit information necessary for the Board to evaluate the qualification and suitability of the applicant pursuant to 8 M.R.S.A. Chapter 31, Section 1016, subsection 2.
- G. Certified copies, including amendments, of the applicant's charter, bylaws, articles of incorporation, articles of organization, partnership agreement, including the amount and date of each capital contribution of any partner to the applicant, trust agreement, and other documents that document or explain the legal organization of the applicant.
- H. Certified copies of organizational minutes and/or other corporate records reflecting ownership and the election of officers.
- I. The information required by subparagraph (A) above as to any operator of any business conducted by such applicant and any other contractor (which is not a publicly traded entity) utilized by such applicant which has received compensation from such applicant in excess of \$100,000 for gambling-related services in any of the three (3) preceding fiscal years together with a copy of all agreements between such applicant and such operator or contractor and a statement of all compensation paid to such operator or contractor during said three-year period.
- J. Copies of the applicant's audited financial statements for the preceding three (3) fiscal years and a copy of internally prepared financial statements for the current fiscal year as at the close of the most recent fiscal quarter.
- K. If a corporation, biennial reports and SEC filings, if any, for past 3 years and meeting minutes from past 12 months.
- L. Copies of the applicant's State and Federal tax returns for a period of three (3) fiscal years.
- M. Copies of the declaration pages of all insurance policies insuring the applicant.
- N. A copy of the Certificate of Authority to do business in the state of Maine, if incorporated outside of Maine.
- O. Copies of any Trade Name Registrations filed by the applicant.
- P. The information required by subparagraph (A) above as to the ten (10) largest unsecured creditors which are not publicly traded entities or accounting firms or legal firms of the applicant who are owed more than \$25,000 by the applicant for a period in excess of sixty days.

- Q. Any and all other information as the Director may require to determine the competence, honesty and integrity of the applicant as required by 8 M.R.S.A. Chapter 31, Section 1016.
- R. The identity of all customers to whom the applicant has furnished slot machines or other gambling equipment or technology within the three years immediately preceding the date of the application.
- S. A description of the means by which the applicant exercises security and financial control over the activities of service technicians in order to insure the integrity of slot machine distribution.
- T. The names and addresses of individuals who have been authorized by the applicant to engage in dealings with the Board for purposes of representing the interests of the applicant.
- U. A description of the applicant's business and a list of the makes and types of machines to be distributed.

2. The application, as well as other documents submitted to the Board by or on behalf of the applicant for purposes of determining the qualifications of the applicant, shall be sworn to or affirmed before a notary public. If any form or document is signed by an attorney for the applicant, the signature shall certify that the attorney has read the forms or documents and that, to the best of his or her knowledge, information and belief, based on diligent inquiry, the contents of the form or documents so supplied are true.
3. To the extent, if any, that information of a material nature in the application or the supplemental information provided by the applicant becomes outdated, inaccurate or incomplete, the applicant shall notify the Board in writing as soon as it is aware that the information is outdated, inaccurate or incomplete, and shall at that time supply the information necessary to make the application or supplementary information current, accurate and complete.
4. The applicant shall cooperate fully with the Board and the Department in any background investigation of the applicant.
5. The applicant, upon request of the Board or Department, shall make any and all of its books and records available for inspection by the Board or the Department.
6. As soon as the Director has determined that the application is complete, it shall forward same to the Department which shall undertake and complete the background investigation of the applicant, its officers, directors, partners, owners, key executives. It will report its findings to the Board within six (6) months or such longer time as agreed by the applicant or as determined by the Board to be necessary for completion of the investigation due to circumstances documented by the Department.
7. The Board shall weigh the following factors in evaluating the application:
 - A. Whether the applicant satisfies the criteria outlined in 8 M.R.S.A. Chapter 31 Section 1016.

- B. The extent to which, if any, the applicant would be subject to the control or influence of its activities by any person having a financial interest pertaining to the applicant, including a mortgage or other lien against property of the applicant or, who in the opinion of the Board, might otherwise influence its activities. In such case the Director shall consider the character, honesty and integrity of whoever has the ability to control or influence the activities of the applicant.
- C. The degree to which the applicant has demonstrated its ability to finance the proposed slot machine distribution, as well as the source of such financing.
- D. The degree to which the applicant has supplied accurate and complete information pursuant to the requirements of this rule.
- E. The extent to which the applicant has cooperated with the Board and the Department in connection with the background investigation.
- F. Whether the person, or any of its officers, directors, partners, owners, key executives, or slot machine distribution employees are known to associate with persons of nefarious backgrounds or disreputable character.
- G. With respect to any past conduct which may adversely reflect upon the applicant, the nature of the conduct, the time that has passed since the conduct, the frequency of the conduct and any extenuating circumstances that affect or reduce the impact of the conduct or otherwise reflect upon the applicant's fitness for the license.
- H. Any other information before the Director, including substantially similar background investigations performed by other agencies or jurisdictions, that relate to the applicant's competency, financial capability, honesty, integrity, reputation, habits, or associations.

§4. Application – Table Game Distributor

- 1. An applicant for a license to act as a Table Game Distributor shall apply on forms specified by the Board. In addition to any information required by statute, application forms may require the applicant to provide the following:
 - A. The applicant's legal name, form of entity, the names, addresses, employer identification or social security numbers (if applicable) and dates of birth (if applicable) of its directors, officers, partners, owners, key executives and slot machine and casino operations employees.
 - B. A description of the applicant's organizational structure. This will include an organizational chart listing key executives and positions being held for gaming operations along with their duties and responsibilities.
 - C. With respect to any persons named in subparagraph (A) that are not individuals, the names, addresses, social security numbers, and dates of birth of all individuals who are directors, officers, owners, partners, key executives, or casino operations employees of any such persons.

- D. The percentages of shares of stock, if any, held by each person named in subparagraph (A) or subparagraph (C) above. The Director may, at his or her discretion, cause periodic reexamination of the percentage of shares held by persons subject to such disclosures under these regulations.
- E. The names of all persons principally involved in the original creation of the applicant's enterprise.
- F. Responses to questions designed to elicit information necessary for the Board to evaluate the qualification and suitability of the applicant pursuant to 8 M.R.S.A. Chapter 31, Section 1016, subsection 2.
- G. Certified copies, including amendments, of the applicant's charter, bylaws, articles of incorporation, articles of organization, partnership agreement, including the amount and date of each capital contribution of any partner to the applicant, trust agreement, and other documents that document or explain the legal organization of the applicant.
- H. Certified copies of organizational minutes and/or other corporate records reflecting ownership and the election of officers.
- I. The information required by subparagraph (A) above as to any operator of any business conducted by such applicant and any other contractor (which is not a publicly traded entity) utilized by such applicant which has received compensation from such applicant in excess of \$100,000 for gambling-related services in any of the three (3) preceding fiscal years together with a copy of all agreements between such applicant and such operator or contractor and a statement of all compensation paid to such operator or contractor during said three-year period.
- J. Copies of the applicant's audited financial statements for the preceding three (3) fiscal years and a copy of internally prepared financial statements for the current fiscal year as at the close of the most recent fiscal quarter.
- K. If a corporation, biennial reports and SEC filings, if any, for past 3 years and meeting minutes from past 12 months.
- L. Copies of the applicant's State and Federal tax returns for a period of three (3) fiscal years.
- M. Copies of the declaration pages of all insurance policies insuring the applicant.
- N. A copy of the Certificate of Authority to do business in the state of Maine, if incorporated outside of Maine.
- O. Copies of any Trade Name Registrations filed by the applicant.
- P. The information required by subparagraph (A) above as to the ten (10) largest unsecured creditors which are not publicly traded entities or accounting firms or

legal firms of the applicant who are owed more than \$25,000 by the applicant for a period in excess of sixty days.

- Q. Any and all other information as the Director may require to determine the competence, honesty and integrity of the applicant as required by 8 M.R.S.A. Chapter 31, Section 1016.
- R. The identity of all customers to whom the applicant has furnished table games or other gambling equipment or technology within the three years immediately preceding the date of the application.
- S. A description of the means by which the applicant exercises security and financial control over the activities of service technicians in order to insure the integrity of table game distribution.
- T. The names and addresses of individuals who have been authorized by the applicant to engage in dealings with the Board for purposes of representing the interests of the applicant.
- U. A description of the applicant's business and a list of the makes and types of games to be distributed.

2. The application, as well as other documents submitted to the Board by or on behalf of the applicant for purposes of determining the qualifications of the applicant, shall be sworn to or affirmed before a notary public. If any form or document is signed by an attorney for the applicant, the signature shall certify that the attorney has read the forms or documents and that, to the best of his or her knowledge, information and belief, based on diligent inquiry, the contents of the form or documents so supplied are true.
3. To the extent, if any, that information of a material nature in the application or the supplemental information provided by the applicant becomes outdated, inaccurate or incomplete, the applicant shall notify the Board in writing as soon as it is aware that the information is outdated, inaccurate or incomplete, and shall at that time supply the information necessary to make the application or supplementary information current, accurate and complete.
4. The applicant shall cooperate fully with the Board and the Department in any background investigation of the applicant.
5. The applicant, upon request of the Board or Department, shall make any and all of its books and records available for inspection by the Board or the Department.
6. As soon as the Director has determined that the application is complete, it shall forward same to the Department which shall undertake and complete the background investigation of the applicant, its officers, directors, partners, owners and key executives. It will report its findings to the Board within six (6) months or such longer time as agreed by the applicant or as determined by the Board to be necessary for completion of the investigation due to circumstances documented by the Department.

7. The Board shall weigh the following factors in evaluating the application:
 - A. Whether the applicant satisfies the criteria outlined in 8 M.R.S.A. Chapter 31 Section 1016.
 - B. The extent to which, if any, the applicant would be subject to the control or influence of its activities by any person having a financial interest pertaining to the applicant, including a mortgage or other lien against property of the applicant or, who in the opinion of the Board, might otherwise influence its activities. In such case the Director shall consider the character, honesty and integrity of whoever has the ability to control or influence the activities of the applicant.
 - C. The degree to which the applicant has demonstrated its ability to finance the proposed table game distribution, as well as the source of such financing.
 - D. The degree to which the applicant has supplied accurate and complete information pursuant to the requirements of this rule.
 - E. The extent to which the applicant has cooperated with the Board and the Department in connection with the background investigation.
 - F. Whether the person, or any of its officers, directors, partners, owners, key executives, or table game distribution employees are known to associate with persons of nefarious backgrounds or disreputable character.
 - G. With respect to any past conduct which may adversely reflect upon the applicant, the nature of the conduct, the time that has passed since the conduct, the frequency of the conduct and any extenuating circumstances that affect or reduce the impact of the conduct or otherwise reflect upon the applicant's fitness for the license.
 - H. Any other information before the Director, including substantially similar background investigations performed by other agencies or jurisdictions, that relate to the applicant's competency, financial capability, honesty, integrity, reputation, habits, or associations.

§5. Application – Gambling Services Vendor

1. An applicant for a license to act as a Gambling Services Vendor shall apply on forms specified by the Board. In addition to any information required by statute, application forms may require the applicant to provide the following:
 - A. The applicant's legal name, form of entity, the names, addresses, employer identification or social security numbers (if applicable) and dates of birth (if applicable) of its directors, officers, partners, owners, key executives and slot machine and casino operations employees.

- B. A description of the applicant's organizational structure. This will include an organizational chart listing key executives and positions being held for gaming operations along with their duties and responsibilities.
- C. With respect to any persons named in subparagraph (A) that are not individuals, the names, addresses, social security numbers, and dates of birth of all individuals who are directors, officers, owners, partners, key executives, or slot machine and casino operations employees of any such persons.
- D. The percentages of shares of stock, if any, held by each person named in subparagraph (A) or subparagraph (C) above. The Director may, at his or her discretion, cause periodic reexamination of the percentage of shares held by persons subject to such disclosures under these regulations.
- E. The names of all persons principally involved in the original creation of the applicant's enterprise.
- F. Responses to questions designed to elicit information necessary for the Board to evaluate the qualification and suitability of the applicant pursuant to 8 M.R.S.A. Chapter 31, Section 1016, subsection 2.
- G. Certified copies, including amendments, of the applicant's charter, bylaws, articles of incorporation, articles of organization, partnership agreement, including the amount and date of each capital contribution of any partner to the applicant, trust agreement, and other documents that document or explain the legal organization of the applicant.
- H. Certified copies of organizational minutes and/or other corporate records reflecting ownership and the election of officers.
- I. The information required by subparagraph (A) above as to any operator of any business conducted by such applicant and any other contractor (which is not a publicly traded entity) utilized by such applicant which has received compensation from such applicant in excess of \$100,000 for gambling-related services in any of the three (3) preceding fiscal years together with a copy of all agreements between such applicant and such operator or contractor and a statement of all compensation paid to such operator or contractor during said three-year period.
- J. Copies of the applicant's audited financial statements for the preceding three (3) fiscal years and a copy of internally prepared financial statements for the current fiscal year as at the close of the most recent fiscal quarter.
- K. If a corporation, biennial reports and SEC filings, if any, for past 3 years and meeting minutes from past 12 months.
- L. Copies of the applicant's State and Federal tax returns for a period of three (3) fiscal years.
- M. Copies of the declaration pages of all insurance policies insuring the applicant or the premises.

- N. A copy of the Certificate of Authority to do business in the state of Maine, if incorporated outside of Maine.
- O. Copies of any Trade Name Registrations filed by the applicant.
- P. The information required by subparagraph (A) above as to the ten (10) largest unsecured creditors which are not publicly traded entities or accounting firms or legal firms of the applicant who are owed more than \$25,000 by the applicant for a period in excess of sixty days.
- Q. Any and all other information as the Director may require to determine the competence, honesty and integrity of the applicant as required by 8 M.R.S.A. Chapter 31, Section 1016.

2. The application, as well as other documents submitted to the Board by or on behalf of the applicant for purposes of determining the qualifications of the applicant, shall be sworn to or affirmed before a notary public. If any form or document is signed by an attorney for the applicant, the signature shall certify that the attorney has read the forms or documents and that, to the best of his or her knowledge, information and belief, based on diligent inquiry, the contents of the form or documents so supplied are true.
3. To the extent, if any, that information of a material nature in the application or the supplemental information provided by the applicant becomes outdated, inaccurate or incomplete, the applicant shall notify the Board in writing as soon as it is aware that the information is outdated, inaccurate or incomplete, and shall at that time supply the information necessary to make the application or supplementary information current, accurate and complete.
4. The applicant shall cooperate fully with the Board and the Department in any background investigation of the applicant.
5. The applicant, upon request of the Board or Department, shall make any and all of its books and records available for inspection by the Board or the Department.
6. As soon as the Director has determined that the application is complete, it shall forward same to the Department which shall undertake and complete the background investigation of the applicant, its officers, directors, partners, owners and key executives. It will report its findings to the Board within six (6) months or such longer time as agreed by the applicant or as determined by the Board to be necessary for completion of the investigation due to circumstances documented by the Department.
7. The Board shall weigh the following factors in evaluating the application:
 - A. Whether the applicant satisfies the criteria outlined in 8 M.R.S.A. Chapter 31.
 - B. The extent to which, if any, the applicant would be subject to the control or influence of its activities by any person having a financial interest pertaining to the applicant, including a mortgage or other lien against property of the applicant or, who in the opinion of the Board, might otherwise influence its activities. In

such case the Director shall consider the character, honesty and integrity of whoever has the ability to control or influence the activities of the applicant.

- C. The degree to which the applicant has demonstrated its ability to finance the proposed gambling services vendor operations, as well as the source of such financing.
- D. The degree to which the applicant has supplied accurate and complete information pursuant to the requirements of this rule.
- E. The extent to which the applicant has cooperated with the Board and the Department in connection with the background investigation.
- F. Whether the person, or any of its officers, directors, partners, owners, key executives, or gambling services vendor employees are known to associate with persons of nefarious backgrounds or disreputable character.
- G. With respect to any past conduct which may adversely reflect upon the applicant, the nature of the conduct, the time that has passed since the conduct, the frequency of the conduct and any extenuating circumstances that affect or reduce the impact of the conduct or otherwise reflect upon the applicant's fitness for the license.
- H. Any other information before the Director, including substantially similar background investigations performed by other agencies or jurisdictions, that relate to the applicant's competency, financial capability, honesty, integrity, reputation, habits, or associations.

§6. Application – Employees

- 1. An applicant for an employee license pursuant to 8 M.R.S.A. §1015 shall submit a license application on a form approved and supplied by the Board.
- 2. The application, as well as other documents submitted to the Board by or on behalf of the applicant for purposes of determining the qualifications of the applicant, shall be sworn to or affirmed before a notary public. If any form or document is signed by an attorney for the applicant, the signature shall certify that the attorney has read the forms or documents and that, to the best of his or her knowledge, information and belief, based on diligent inquiry, the contents of the form or documents so supplied are true.
- 3. To the extent, if any, that information of a material nature in the application or the supplemental information provided by the applicant becomes outdated, inaccurate or incomplete, the applicant shall notify the Board in writing as soon as it is aware that the information is outdated, inaccurate or incomplete, and shall at that time supply the information necessary to make the application or supplementary information current, accurate and complete.
- 4. The applicant shall cooperate fully with the Board and the Department in any background investigation of the applicant.

5. A waiver may be granted in lieu of an employee license pursuant to 8 M.R.S.A. §1015. A licensed or applicant Slot Machine Operator, Casino Operator, Slot Machine Distributor, Table Game Distributor, or Gambling Services Vendor may apply for a waiver of the licensing requirement for one or more employees pursuant to 8 M.R.S.A. §1015(3). Such application must be in writing and document facts sufficient to demonstrate that the public interest is not served by licensing requirement. The Board shall consider the extent to which the employee has access to slot machine equipment, table game equipment, proceeds from slot machine activity or table game activity; or is engaged in security or surveillance at the slot machine facility or casino; or is engaged in other activities directly related to the gambling activity or proceeds. An employee's access or activity in these areas is an indication that the public interest would not be served by granting the requested waiver. The following duties are examples of duties that fall under the categories that would **not** qualify for waiver.
 - A. Perform, under the supervision of an audit department executive, the duties and responsibilities of the internal audit department, including, without limitation, the supervision of personnel in the internal audit department; the monitoring of compliance with regulations and internal controls; and the evaluation of the adequacy of accounting and administrative controls;
 - B. Perform, under the supervision of a controller, the duties and responsibilities of the accounting department including, without limitation, the supervision of personnel in the accounting department; overseeing the review, verification and recordation of revenue journal entries; and the processing or control of active accounting documents related to gaming activity;
 - C. Have access to active accounting documents related to gaming activity;
 - D. Conduct surveillance investigations and operations;
 - E. Repair and maintain slot machines, table games, associated equipment and bill changers;
 - F. Assist in the operation of slot machines, table games and bill changers, including, without limitation, persons who participate in manual jackpot payouts and fill payout reserve containers, or supervise such persons;
 - G. Identify patrons or groups of patrons to receive complimentaries based on actual patron play, authorize such complimentaries or determine the amount of such complimentaries;
 - H. Analyze slot machine operations or casino operations data and make recommendations relating to, without limitation, marketing, complimentaries, gaming, special events, promotions and player ratings;
 - I. Enter data in gaming-related computer systems or develop, maintain, install or operate gaming-related computer software systems;
 - J. Collect and record patron checks and personal checks which are dishonored and returned by a bank;

- K. Develop marketing programs to promote slot machine operations or casino operations, including, without limitation, coupon redemption and other complimentary distribution programs;
- L. Distribute, redeem, account for, inventory, or assign for distribution complimentary coupons;
- M. Process currency or cash equivalents;
- N. Repair or maintain the closed-circuit television system equipment of the Slot Machine Facility or Casino;
- O. Currently training to become a surveillance employee;
- P. Provide physical security on the floor of the gambling facility or in a restricted area of the gambling facility;
- Q. Control and maintain the slot machine and table game inventory, including replacement parts, equipment and tools used to maintain slot machines and table games;
- R. Repair and maintain slot machines and bill changers;
- S. Perform as the secretary to the supervisor of the surveillance department, internal audit department, accounting department or credit department;
- T. Repair gaming equipment other than slot machines;
- U. Perform responsibilities associated with the installation, maintenance or operation of computer hardware for racino computer systems;
- V. Recruit customers as part of Junket Services performed for the Slot Machine Operator or Casino Operator;
- W. Supervise, at a casino or slot facility, a person required to possess an employee license.

6. Examples of job duties that are likely to qualify for a license waiver are food service workers, parking attendants and other employees not related to gambling activities.
7. Should the status of a waived employee change to that of an individual subject to licensing, the Board shall be notified and the individual shall submit a license application.
8. Upon application of a person licensed in another state, the Board or its Director may issue a temporary license to that person for purposes of testing or setting up slot machines, table games, or associated equipment. A temporary license will be valid for 30 calendar days from the date on which it is issued.

§7. Any application received without the required fee will be returned as incomplete due to nonpayment of the fee. Application fees are nonrefundable.

§8. An action of the Board regarding an applicant or licensee relates only to the applicant's or licensee's qualification for licensure under 8 M.R.S.A., Chapter 31, Section 1016 and these rules and does not indicate or suggest that the Board has considered or passed on the qualifications or application of the applicant or licensee for any other purpose.

STATUTORY AUTHORITY: 8 M.R.S.A. §1003

EFFECTIVE DATE

February 21, 2005 – filing 2005-57

AMENDED:

April 11, 2007 – Section 4(H), filing 2007-127

May 16, 2011 – filing 2011-146

April 22, 2014 – filing 2014-073

July 16, 2019 – filing 2019