

BEFORE THE NEVADA GAMING COMMISSION
AND THE STATE GAMING CONTROL BOARD

In the Matter of
JACKPOT ENTERPRISES, INC.
(Registration)

SECOND REVISED ORDER OF REGISTRATION

THIS MATTER came on regularly for hearing before the State Gaming Control Board on June 6, 1990, and before the Nevada Gaming Commission on June 21, 1990, at Las Vegas, Nevada; and

THE BOARD AND COMMISSION having considered all information pertinent hereto;

IT IS HEREBY ORDERED BY THE NEVADA GAMING COMMISSION UPON THE RECOMMENDATION OF THE STATE GAMING CONTROL BOARD:

1. THAT the following applications, as amended and supplemented, are hereby accepted as filed:
 - a. The application of Jackpot Owl, Inc., dba The Owl Club, for a nonrestricted gaming license.
 - b. The application of Jackpot Gaming, Inc., for registration as an intermediary company and for finding of suitability as the sole shareholder of Jackpot Owl, Inc. and as a shareholder of 500 shares of common stock of Jackpot City, Inc.

c. The application of Jackpot Enterprises, Inc. for a corporate restructuring and an amendment to its Revised Order of Registration and for a finding of suitability as the sole shareholder of Jackpot Gaming, Inc.

2. THAT the Revised Order of Registration of Jackpot Enterprises, Inc., dated May 25, 1988, and the First, Second, and Third Amendments thereto dated September 28, 1988, October 28, 1989, and November 16, 1989, respectively, are hereby consolidated into and updated by this Second Revised Order of Registration.

3. THAT Jackpot Enterprises, Inc. is registered as a publicly traded corporation; found suitable to be the sole shareholder of Cardivan Company, Corral United, Inc., Corral Coin, Inc., and Jackpot Gaming, Inc.

4. THAT Cardivan Company is licensed as a slot route operator, a manufacturer and distributor, and that Cardivan Company, dba Cardivan Company at the Las Vegas Inn and at the Best Western Ambassador East, is licensed to conduct nonrestricted gaming operations (slot machines only) at 1501 West Sahara Avenue, Las Vegas, and at 916 East Fremont Street, Las Vegas, respectively.

5. THAT Corral United, Inc., dba Corral United, is licensed as a slot route operator.

6. THAT Corral Coin, Inc., dba Corral Coin, is licensed as a slot route operator.

7. THAT Jackpot Gaming, Inc. is registered as an intermediary company and found suitable as the sole shareholder of Jackpot Owl, Inc. and as a shareholder of 500 shares of common stock of Jackpot City, Inc.

8. THAT Jackpot City, Inc., dba The Nugget, is licensed to conduct

nonrestricted gaming operations at 231-233 North Virginia Street, Reno, with the express condition that no live games may be added at such location without the prior approval of the Nevada Gaming Commission.

9. THAT Jackpot Owl, Inc., dba The Owl Club, is licensed to conduct nonrestricted gaming operations at 72 East Front Street, Battle Mountain.

10. THAT pursuant to NRS 463.625(2), Jackpot Enterprises, Inc. is exempted from compliance with NRS 463.585 (1), (2), (6) and (7), and NRS 463.595 through NRS 463.615, inclusive, and shall instead comply with NRS 463.635 through NRS 463.645, inclusive.

11. THAT Jackpot Enterprises, Inc. is exempted from Regulation 15, except for the provisions of Regulations 15.585.3-1, 15.585.3-2 and 15.585.4-1, and shall instead comply with Regulation 16.

12. THAT except as provided by NRS 463.690(2), neither Jackpot Enterprises, Inc., nor any person controlling, controlled by, or under common control with Jackpot Enterprises, Inc., shall have any involvement with gaming or pari-mutuel wagering outside the State of Nevada without first obtaining the approval of the Nevada Gaming Commission.

13. THAT all voting securities of Jackpot Enterprises, Inc. shall bear a statement which shall be substantially as follows:

"Beneficial owners of the Common Stock issued by this Corporation are subject to the regulatory provisions of the Nevada Gaming Control Act (Nevada Revised Statutes, Ch. 463.010, et seq.) and the regulations of the Nevada Gaming Commission. If at any time the Nevada Gaming Commission finds a beneficial owner of the securities evidenced by this certificate to be unsuitable to hold such

securities, they must be disposed of by such beneficial owner. The laws and gaming regulations of the State of Nevada restrict the rights of a beneficial owner of such securities under certain circumstances (a) to receive any dividend upon such securities or (b) to exercise directly or indirectly any voting rights conferred by such securities or (c) to receive any remuneration in any form from this Corporation for services rendered or otherwise."

14. THAT the Commission expressly finds that the exemptions hereinabove granted are consistent with the State policies set forth in NRS 463.0129 and NRS 463.489.

15. THAT except for public offerings subject to Regulation 16.110, any offer for the sale of an equity security, as defined by NRS 463.484, by any affiliated company of Jackpot Gaming, Inc., Corral Coin, Inc., Cardivan Company, or Corral United, Inc., shall not become effective without the prior approval of the State Gaming Control Board. Such approval is deemed to be granted if an application for the same has been filed with the Board for 30 days and the Board has not ordered an acceleration or extension of time, or issued a stop order during such period.

16. THE COMMISSION hereby delegates to the Chairman of the State Gaming Control Board the authority to issue interlocutory stop orders for good cause pertaining to any equity security subject to this Revised Order of Registration. Any stop order so issued may be reviewed by the Commission.

17. THAT Jackpot Enterprises, Inc. shall maintain a Compliance Committee for the purpose of performing due diligence in future acquisitions of slot locations, and determining the suitability of relationships with other business

entities and individuals, including but not limited to key employees, officers and directors of the corporation; and further, to review all operations areas of the companies for compliance with Nevada Gaming Commission Regulations and Chapter 463 of the Nevada Revised Statutes. The Compliance Committee shall conduct its affairs in accordance with the plan for such committee submitted to the Board on August 7, 1986.

18. THE COMMISSION hereby delegates to the Chairman of the State Gaming Control Board the authority to require and administratively approve amendments to the Compliance Committee plan and to the composition and duties of the Compliance Committee.

19. THAT Jackpot Enterprises, Inc. shall fund and maintain with the State Gaming Control Board a revolving fund in the amount of \$10,000 for the purpose of funding investigative reviews by the Board for compliance with the terms of this Second Revised Order of Registration, as amended. Without limiting the foregoing, the Board shall have the right, without notice, to draw upon the funds of said account for the payment of costs and expenses incurred by the Board and its staff in the surveillance, monitoring and investigative reviews of all activities, including public offerings, of Jackpot Enterprises, Inc., Jackpot Gaming, Inc., Cardivan Company, Corral United, Inc., Corral Coin, Inc., Jackpot

.
.
.
.
.
.

City, Inc., and Jackpot Owl, Inc., and their affiliated companies, which relate to any of the terms of this Second Revised Order of Registration, as amended.

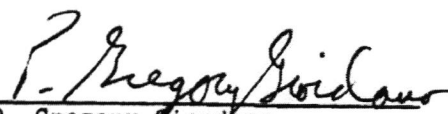
ENTERED at Las Vegas, Nevada, this 21st day of June, 1989.

FOR THE COMMISSION:



John F. O'Reilly, Chairman

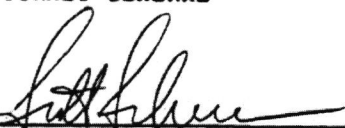
Submitted by:



P. Gregory Giordano
Chief, Corporate Securities

APPROVED AS TO FORM:

BRIAN McKAY
ATTORNEY GENERAL

By 

Gloria Stendardi
Deputy Attorney General
Gaming Division