

CHAPTER 4B

PARI-MUTUEL WAGERING

SECTION 4.1 POLICY

- A. It is the policy of the Commission that pari-mutuel betting on sporting events is materially different from other types of gaming and that the public health, safety, morals, good order and general welfare of the Tribe require stringent regulation of pari-mutuel wagering; accordingly, gaming operators operating pari-mutuel wagering facilities on sporting events and races are required to comply with the following regulation in addition to the previous regulations of Chapter 4A, and to any regulation applicable to gaming operators in general.

SECTION 4.2 DEFINITIONS

- A. "Breakage" means odd cents over a multiple of 10 cents arising from the computation of odds and payouts on amounts wagered on a simulcast horse race, as determined by the law governing the sending track.
- B. "Casino simulcasting" means the simultaneous transmission by picture of running or harness horse races conducted at racetracks to gaming operators and pari-mutuel wagering at Race books operated by gaming operators on the results of those races.
- C. "Entrant" means a participant in a race, sporting event or contest upon which a wager may be placed as to the participants' finishing position in the event.
- D. "Entry" means two (2) or more entrants competing in a given event and coupled because of common ties.
- E. "Event" means an individual race, game or contest wherein pari-mutuel wagering is conducted upon the competing entrants.
- F. "Field" means all the entrants in an event whose assigned numerical designation exceeds one less than the numbering capacity of the post positions on the tote board.
- G. "Gross pool" means the total amount of money wagered on the outcome of a particular event without any deduction therefrom.
- H. "Pari-mutuel system of wagering" means a system of wagering whereby wagers with respect to the outcome of a race or other sporting events are placed in a wagering pool conducted by the Tribe and in which the participants are wagering with each other and not against the operator. The term includes off-site pari-mutuel wagering.

- I. "Pari-mutuel machine" means a mechanical, electrical or other device which is connected to a totalisator and which generates pari-mutuel tickets and credit vouchers, reads pari-mutuel tickets and receives from the totalisator the amount to be paid for winning, cancelled or refunded pari-mutuel tickets, and reads credit vouchers and calculates the amount to be paid therefor.
- J. "Pari-mutuel ticket" means a ticket issued by a pari-mutuel machine or a self-service pari-mutuel machine which represents a wager on a simulcast horse race.
- K. "Sending track" means a racetrack in a jurisdiction which is equipped to conduct casino simulcasting and the operator of which is lawfully permitted to conduct a horse race and to provide simulcast horse races to a gaming operator.
- L. "Simulcast horse race" means a running or harness horse race conducted at a racetrack which is simultaneously transmitted by picture to a gaming operator.
- M. "Totalisator" means a computer which, among other things, directly or indirectly through one or more other totalisators, receives pari-mutuel wagering information, calculates payoffs for winning pari-mutuel tickets, generates reports with respect to such information, and automatically ceases wagering, in accordance with internal controls, in the event that the transmission of data from a sending track has been interrupted.
- N. "Win, place, show" refers to the entrants respectively placing first, second and third in the outcome of an event; also refers to the respective wagers or pools.

SECTION 4.3 SIMULCASTING

- A. A gaming operator may, with approval from the Commission and subject to all applicable laws and regulations, conduct casino simulcasting on races from a sending track which has been approved by the applicable racing regulatory body of those jurisdictions to participate in casino simulcasting.
- B. Agreements for casino simulcasting between a gaming operator and a sending track shall be in writing and shall be filed with the Commission.
- C. Every agreement between a gaming operator and a sending track shall define, and provide for the distribution of, outstanding pari-mutuel tickets, and define, and provide for the allocation of losses in the event of, a minus pari-mutuel pool. Every such agreement shall also provide for manual merging in the event of a systems or communications failure and shall further set forth a procedure, acceptable to the Commission, which shall be followed in the event that manual merging is not possible.

- D. Except as otherwise provided, sums wagered in a casino simulcasting facility on horse races at a sending track shall be combined with comparable pari-mutuel pools at the sending track, and the types of wagering, takeout, distribution of winnings, rules of racing and percentage of deposits remaining undistributed from pari-mutuel pools after payment is made to winning ticket holders shall be determined in accordance with the law or policy applicable to the sending track.
- E. All manufacturers, suppliers and repairers of simulcast wagering equipment, including totalisators, pari-mutuel machines, self-service pari-mutuel machines and credit voucher machines, to gaming operators shall be licensed in accordance with the provisions of Title XV of the Tribal Code and the Choctaw Gaming Commission regulations.

SECTION 4.4 COMMISSIONS

- A. A gaming operator shall be entitled to deduct from a gross pool a commission not to exceed 20 percent of the pool. The Commission may, by order, alter this maximum percentage, if deemed prudent.

SECTION 4.5 ACCOUNTING

- A. Each gaming operator shall prepare and maintain in a manner suitable to the Commission, complete and accurate accounting records, information and data which shall be generated by an approved computer system and which reflects the following on a daily basis for each event upon which pari-mutuel wagering was held:
 - 1. Gross amount wagered on each event;
 - 2. Gross and net amounts of each pool;
 - 3. Commissions deducted;
 - 4. [B]reakage on each pool;
 - 5. Number and value of tickets sold on each pool;
 - 6. Final odds;
 - 7. Payoff prices; and
 - 8. The amount paid on all winning pari-mutuel tickets.
- B. A daily reconciliation of all cash received and paid on each pool of each event shall be recorded along with the cash count of the money room.
- C. The gross revenue received by a gaming operator from pari-mutuel wagering shall be calculated and added to gross gaming revenue from other gaming operations. Gross revenue includes the amount of the commission received by a gaming operator that is deducted from pari-mutuel wagering, plus breakage and the face amount of unpaid winning tickets that remain unpaid for a period specified by the Commission.

SECTION 4.6 OPERATION OF PARI-MUTUEL FACILITIES

- A. The pari-mutuel operation shall be conducted by the gaming operator under the control and supervision of a mutuel manager who, along with all ticket sellers, cashiers, and money counters, shall be an employee of the gaming operator. A pari-mutuel operation shall be conducted in an area of the gaming operator's premises authorized for gaming and approved in advance by the Commission.
- B. Should any portion of the mutuel operation be subcontracted to any person or entity other than the gaming operator, such arrangement shall first be approved by the Commission which may require such person or entity or their employees to be licensed.
- C. All patron complaints made on property must be registered at designated windows; a written report as to the substance and disposition of the complaint shall be made, and copy thereof delivered to the Commission as soon as reasonably practicable.
- D. The general operation of the pari-mutuel shall be directed by a mutuel manager, who also may serve as a gaming operator's sports book manager, who shall have extensive experience in the operation of pari-mutuel wagering.
- E. Total responsibility shall rest with the mutuel manager for:
 - 1. The entire operation of pari-mutuel wagering in accordance with this regulation;
 - 2. The correct computation of pools, odds, breakage, payouts, commissions, and taxes; and
 - 3. The conduct of all persons directly or indirectly employed in the mutuel department.
- F. Any emergency arising from the operation of the pari-mutuel, not covered by this regulation and requiring immediate action, shall be handled by the mutuel manager who shall make the necessary decisions and render a report to the Commission within 24 hours.

SECTION 4.7 COMPUTATION EQUIPMENT

- A. An electronic totalisator shall be used for each event upon which pari-mutuel wagering is conducted unless written consent is given by the Commission to use different equipment or methods. The equipment must automatically: register the total amount wagered in each mutuel pool; the total amount wagered on each participant in a game or race for win, place and show; the total amount wagered on each combination in a daily double, quinella or exacta, and shall print and issue a ticket representing each wager comprising each required total.
- B. A license may not be issued until such tests as required and performed by the Commission have been made and the equipment conforms to the requirements of these

regulations, the Commission, and any other applicable governing body of the pari-mutuel wagering that is to be conducted.

- C. The gaming operator may be required to conduct such test as the Commission may prescribe from time to time upon totalisators and ancillary equipment.
- D. Failure of the totalisator to meet the requirements as established by these regulations and the Commission shall be grounds for ordering the suspension of pari-mutuel wagering until such time as the deficiencies have been corrected.
- E. The totalisator shall calculate the total amounts in each pool and the amounts wagered on each entrant or combination from time to time as wagering progresses. Operated in connection with the totalisator shall be one or more boards prominently displaying to the public the winning odds on each entrant or combination during the progress of wagering at intervals of not more than 90 seconds between each complete change.
- F. The totalisator shall be designed so that all ticket machines shall automatically lock and close upon the activation of the off bell which must be activated no later than the start of the event. In no case shall the machines be opened until after a declaration that the results of the event are official.
- G. A report of any faulty operation of the totalisator or tote board shall be filed with the Commission within 24 hours following the malfunction.
- H. Whenever the totalisator mechanism fails and is obviously unreliable as to the amounts wagered, all figures on the tote board so affected shall be removed immediately, and the payoff shall be compiled on the sum wagered in each pool as shown by the recapitulation of the sales registered by each individual ticket issuing machines. If an individual ticket issuing machine fails and a computer system is being employed, then the figures as stored in the computer shall be used to calculate the payoff. If the type of wagering equipment used renders this recapitulation impossible, all moneys wagered on the sporting event shall be refunded.
- I. If payoff prices are computed manually, before posting the payoff prices of any pool for any event, each of the calculating sheets of such event shall be proved by the calculators and the winners verified. Such proof shall show payouts, breakage, and commission and, when totaled together, must equal the gross pool. All payslips must be checked with the calculating sheets as to winners and prices before being issued to cashiers, and all board prices shall be rechecked with a calculator before being released to the public. The above shall not apply if a computer system is used for the purposes of calculating payoffs.
- J. If manual calculation of approximate odds is used, a complete and detailed handwritten

record of each event shall be kept containing:

1. Each change in odds;
2. The percentage figures on the final reading; and
3. The actual possible payoff on each entrant.

K. Such records shall be retained for a period of 3 years.

SECTION 4.8 WAGERS

- A. All pari-mutuel wagers shall be made only in cash or cash equivalents of the gaming operator and must be consummated on the licensed premises. The gaming operator shall maintain a list of acceptable cash equivalents.
- B. No pari-mutuel ticket shall be sold to, or cashed for, a person under 21 years of age.
- C. Resale of pari-mutuel tickets between individuals is prohibited and constitutes grounds for ejection from the premises wherein pari-mutuel wagering is conducted.
- D. Pari-mutuel tickets shall evidence or contain:
 1. A designation for each race, game or event;
 2. Entrant or player number;
 3. Race or game number;
 4. Date; and
 5. Amount wagered.
- E. Pari-mutuel tickets shall be sold only through designated ticket windows prominently displaying the denomination and type of tickets sold or through approved self-service Pari-mutuel machines or other approved electronic method.
- F. When two or more entrants in an event are coupled on the same mutuel ticket, there shall be no refund unless all of the entrants so coupled are cancelled before the event begins.
- G. When no more than five entrants start an event, show wagering on the event may be deleted or cancelled.
- H. When no more than four entrants start an event, both place and show wagering on the event may be deleted or cancelled.
- I. Wagering on an event may be prohibited when less than three entrants start an event and both entrants are coupled in an entry.
- J. A refund shall be made of wagers placed on an entrant scratched before the betting has closed.

SECTION 4.9

WAGERING, COMPUTATIONS AND PAYOFFS

- A. Sums wagered at a casino simulcasting facility on horse races at a sending track shall be combined with comparable pari-mutuel pools at the sending track, and the types of wagering, takeout, distribution of winnings, rules of racing and percentage of deposits remaining undistributed from pari-mutuel pools after payment is made to winning ticket holders shall be determined in accordance with the law or policy applicable to the sending track.
- B. Prior to the opening of wagering on a simulcast horse race, a sending track shall transmit a pari-mutuel pool definition to a casino simulcasting facility. Upon receipt of the pool definition, pari-mutuel machines at a casino simulcasting facility may be opened for wagering.
- C. A sending track shall at all times inform a casino simulcasting facility of scratches and pool change information, and any scratch from a simulcast horse race after wagering has commenced shall be verified immediately from the sending track to the casino simulcasting facility.
- D. All pari-mutuel machines in a casino simulcasting facility shall be locked at off-time.
- E. No ticket may be issued after the totalisator has been locked or wagering has ceased, whichever occurs first.
- F. Prior to the opening of wagering on any simulcast horse race, an operator must clearly publish rules governing cancellation of pari-mutuel tickets, refunds and payouts on races, including win, place and show pools, quinellas, exactas, daily doubles, or any other wagering options offered by the operator.
- G. A gaming operator shall prominently display in its casino simulcasting area the approximate odds for each horse in a simulcast horse race for the purpose of informing patrons of the actual wagering on each horse.

SECTION 4.10

PAYMENT ON WAGERS

- A. Payment of wagers will be made only on presentation of appropriate pari-mutuel tickets. Any claim by a bettor that a wrong ticket has been delivered to him at the ticket window must be made before leaving the window, and thereafter no such claim may be considered.
- B. A gaming operator shall cash all valid un mutilated winning tickets when such tickets are presented for payment during the course of the day when sold and for the period of 30 days thereafter. Subsequent thereto, the gaming operator shall have no liability relating to such tickets, providing the premises are conspicuously posted with signs stating that

winning tickets must be presented for payment within 30 days from date of issuance, and that each ticket issue shall also bear a similar notation.

- C. The gaming operator shall have no obligation or liability for tickets thrown away, lost, changed, destroyed, or mutilated beyond identification. In the case of mutilated tickets when the portions of the tickets presented are sufficient to definitely identify the ticket as a winning ticket, the gaming operator may accept the mutilated ticket and make payment without the necessity of the ticket holder submitting a claim to the commission.
- D. In the event of a dispute over the validity of a ticket, the gaming operator may accept from the holder of such ticket a written and verified claim to be filed by the gaming operator with the Commission, and the Commission will render a decision as to payment.
- E. Every gaming operator shall carry on its books an account which shows the total payoff amount of outstanding unredeemed mutuel tickets representing winning tickets not presented for payment.
- F. A payoff shall not be less than \$1.10 for each \$1.00 wagered; however, the tote boards shall indicate the amount due on each \$2.00 winning ticket.
- G. The entire loss resulting from a minus pool shall be borne by the gaming operator.
- H. Any error made in posting on the tote board of the payoff prices shall be promptly corrected, and the public immediately advised of the correction by announcement over a public address system.
- I. If an error occurs in payment upon tickets cashed or entitled to be cashed, and as a result the pool involved is not correctly distributed among the winning ticket holders, the following shall apply:
 - 1. The gaming operator shall bear the cost of any overpayment.
 - 2. In the event of under-payment:
 - a. The gaming operator shall accept timely claims, pay each claim, or a part thereof, which it determines to be valid; notice shall be given to any claimant whose claim is rejected.
 - b. Any person whose claim is rejected by the gaming operator may, within 10 days from the date notice of rejection is received, request the Commission to determine the validity of the claim. The failure to file such request with the Commission within 10 days shall constitute a waiver of the claim, provided the claimant has received notice of a right of appeal to the Commission.

- c. A hearing before the Commission shall be held on each claim timely filed, and the Commission may determine a claim to be valid, in whole or in part, and thereafter order the gaming operator to make payment accordingly.
- d. Claims not filed with the gaming operator within 10 days inclusive of the date on which the under-payment was discovered shall be deemed waived, and the gaming operator shall have no further liability therefor.