

**Gaming Commission Regulation
Regulation # R400-04:GC-06**

Chapter 6 – Gaming Vendor Licensing Regulation

Section 1. Purpose; Authority

- 1-1. *Purpose.* It is the purpose of this Chapter to:
- a. To set a uniform process for the issuance and maintenance of licenses to vendors and suppliers of gaming equipment, supplies, or services to any gaming enterprise operated by the Tribe; and
 - b. Assist the gaming enterprise and its prospective and current vendors to understand the licensing process that Tribal law imposes upon persons that seek to do business or continue doing business with any gaming enterprise on Little River Band of Ottawa Indians Tribal lands.
- 1-2. *Authority.* These rules and regulations are issued under and pursuant to the authority of the Gaming Ordinance # 10-400-01, Gaming Commission Ordinance #04-400-04, and Commission’s Ordinance # 04-150-01. This Regulation is specifically enacted in furtherance of the Little River Band of Ottawa Indians Gaming Commission’s duty to license vendors doing business with any gaming enterprise within the jurisdiction of the Tribe pursuant to Section 8.04 of Article VIII and Article XI of the Gaming Ordinance.

Section 2. Definitions

- 2-1. *General.* For purposes of this regulation, certain terms are defined in this section. The word “shall” is always mandatory and not merely advisory. Unless defined elsewhere, terms defined in this Chapter and the Gaming Ordinance and Gaming Commission Ordinance are defined for the purposes of all Gaming Commission Regulations.
- 2-2. “*Control Person*” means (i) each of its officers and members on the Board of Directors; (ii) each of its principal management employees, including any Chief Executive Officer, Chief Financial Officer, Chief Operating Officer or their respective equivalents, or general managers; (iii) each of its substantial owners who own 10% or more of the voting shares of the corporation for a Gaming Vendor; (iv) any person with the authority to contract on behalf of the business with respect to the goods, services, and concessions being provided to the gaming enterprise; and (v) any business that holds 10% or more interest in this company.
- 2-3. “*Gaming equipment or supplies*” Gaming equipment or supplies shall mean any equipment or mechanical, electromechanical or electronic contrivance, component or machine used in connection with gaming.

- 2-4. “*Gaming Service*” means any goods or services that directly relate to the conduct of gaming, security, or surveillance at a gaming enterprise.
- 2-5. “*Gaming Vendors*” shall mean any vendors providing gaming services or concessions, gaming equipment, gaming devices or supplies to the gaming enterprise.
- 2-6. “*General Manager*” means the highest-level employee of the gaming enterprise.
- 2-7. “*Person*” means an individual, a corporation, a partnership, an association, a joint stock company, an unincorporated organization, any similar entity, or any combination of the foregoing acting in concert.

Section 3. License Required

- 3-1. Every person supplying any gaming service or concessions, gaming equipment, gaming devices or supplies to a gaming enterprise must obtain a Gaming Vendor License.
- 3-2. The gaming enterprise shall be responsible for notifying any person with which it is considering conducting business with of the licensing requirements prior to contracting with such person.
- 3-3. Prior to the purchase of any gaming service or concession, gaming equipment, gaming device or supplies, the gaming enterprise shall forward a written “Notice of Intent to Conduct Business” to the Gaming Commission. The “Notice of Intent to Conduct Business” shall describe the services or concessions, gaming equipment, gaming device or supplies be provided by the vendor, together with a good faith estimate of the annual dollar amount of the projected purchases from the vendor. The gaming enterprise may not commit to any binding contracts or business transactions until the Gaming Commission has licensed the vendor.

Section 4. License Applications and Fees.

- 4-1. *General.* Licensing fees will be charged for processing of applications and investigations and shall be payable to the Little River Band of Ottawa Indians.
- 4-2. *Gaming Vendor - Initial Application Fees.* Vendors providing gaming services or concessions, gaming equipment, gaming devices, or supplies to the gaming enterprise will be charged licensing fees according to the following schedule based on the gaming enterprise’s good faith estimate on the Notice of Intent to Conduct Business:
 - a. All new Gaming Vendors whose annual sales is \$100,000 or greater shall be assessed a license fee of \$5,000.
 - b. All new Gaming Vendors whose annual sales is \$50,000 and greater but less than \$100,000 shall be assessed a license fee of \$3,000.

- c. All new Gaming Vendors whose annual sales is less than \$50,000 shall be assessed a license fee of \$1,500.
- d. The Gaming Commission reserves the right to require additional fees if the vendor applicant has significant subsidiaries or foreign holdings requiring investigation.

4-3. *Gaming Vendor - Renewal Application*

- a. All Gaming vendors must maintain a valid Gaming Vendor License in order to continue conducting business with the gaming enterprise. The gaming enterprise must initiate the renewal process by forwarding a Notice of Intent to Conduct Business Form to the Gaming Commission at least 120 calendar days prior to vendor's license expiration dates.
- b. All Gaming Vendors must complete the required renewal forms by the deadline date given in their license application instruction letter. Failure to submit the required renewal forms by the specified deadline date could result in the vendor's license expiring and the Gaming Commission ordering the gaming enterprise to cease doing business with the vendor. The renewal application fee is \$1,500.00, regardless of anticipated annual sales for goods and/or services.
- c. All Gaming Vendors are under a continuing duty to disclose to the Gaming Commission any material changes to the information or documentation provided in or with an application for licensure in accordance with Section 5 of this Regulation.
- d. In the event that significant new information is disclosed since the last issuance of a Gaming Vendor License, a fee will be assessed based on investigative requirements. This fee will be discussed with the vendor prior to initiation of the investigation.
- e. If any vendor fails to complete the requirements for renewal of its Gaming Vendor License, or to obtain a Temporary Gaming Vendor License in accordance with Section 8 of this Regulation, prior to the expiration of their current license, the Gaming Commission will enter an Order prohibiting the gaming enterprise from conducting business with such vendor until such vendor complies with all licensing requirements.

Section 5. Contents of Application

5-1. *Gaming Vendor Application.* Any applicant for a Gaming Vendor License shall furnish to the Gaming Commission the following information:

- a. A list of all equipment, devices, supplies and/or services or concessions offered for sale or lease to the gaming enterprise and a summary of the

equipment, devices, supplies and/or services or concessions sold to the gaming enterprise during the prior license period, including a good faith estimate of the total dollar of such sales;

- b. A completed Vendor Corporate Disclosure form or Corporate Disclosure Renewal Form or the business;
- c. A written certification, in compliance with any Gaming Commission Rules, that all gaming services or concessions, equipment, devices, software, or supplies conform to Section 6 of the Compact;
- d. A list of jurisdictions in which the vendor has applied for licensure and all jurisdictions in which the vendor holds a current and valid vendor license.
- e. A list of jurisdictions in which the vendor has been denied a vendor license or had their vendor license suspended or revoked.
- f. For each new applicant for a Gaming Vendor License, a completed Personal History Disclosure Form for each "Control Person" identified in the Corporate Disclosure Form.
- g. A completed Conflict of Interest Disclosure Form.
- h. An executed Rider to Gaming Related Contracts.
- i. In the case of a Gaming Vendor License renewal, a completed Personal History Disclosure Form must be submitted for each "Control Person" listed on the Vendor Corporate Disclosure Renewal Form.

Section 6. Action on Application for Vendor License

6-1. *Complete Application Required.* A complete investigation will be conducted regarding the information supplied by the applicant(s).

- a. The Gaming Commission will vote on the approval or denial of the Gaming Vendor License initial application or renewal. The Gaming Commission's licensing eligibility determination shall be based on the information obtained or verified through the investigation process and the eligibility criteria described in Section 7 of this Regulation.
- b. Upon approval of a Gaming Vendor License, the vendor and the gaming enterprise will be notified.
- c. Upon denial of a Gaming Vendor License, the vendor and the gaming enterprise will be notified of that fact within seven (7) calendar days of the Gaming Commission's decision. The notice to the vendor shall also state the specific grounds for denial, including any criminal conviction(s) prompting the denial, and of the applicant's right to request a hearing before

the Gaming Commission and to appeal the decision of the Gaming Commission in accordance with Article 12 of the Gaming Ordinance and any applicable regulations prescribed by the Gaming Commission.

Section 7. Grounds for Refusal to Issue License

- 7-1. *Gaming Vendors.* A person, firm or corporation is ineligible to receive a Gaming Vendor's License if any of the following exist:
- a. The Person, or any Control Person, has been convicted of a felony under the laws of Michigan, any other State, or the United States within the ten (10) years preceding the application for licensure;
 - b. The Person, or any Control Person, has been convicted of or entered a plea of guilty or no contest to a gambling-related offense, or to a felony offense involving fraud, theft or misrepresentation;
 - c. The Person, or any Control Person, is a member of, or employed by, the Gaming Commission or the gaming enterprise;
 - d. The firm or corporation employs a Person who participates in the management or operations of any gaming enterprise regulated by the Gaming Commission;
 - e. The firm or corporation has an officer, director or managerial employee who submitted the license application which contains false or misleading information;
 - f. The person, firm or corporation has been determined to be associated with organized crime;
 - g. The person, firm or corporation has been determined to be one whose prior activities, reputation, habits and association (including any Conflict of Interest) pose a threat to the public interest or to the effective regulation and control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, or activities in the operation of gaming or the carrying on of the business and financial arrangements thereto; or
 - h. If a provider of gaming equipment, devices, or supplies, including any hardware or software relating to such equipment, has refused or failed to provide services which meet the technical requirements for such goods or services meeting the technical requirements prescribed in Tribal law and in Section 6 of the Compact.
- 7-2. *Other.* In addition to the eligibility requirements for licensure prescribed in Section 7, the Gaming Commission shall also satisfy itself that each applicant for a Gaming Vendor License:

- a. Is a Person whose background, reputation and associations evidence good character, integrity, and honesty.
- b. Has not knowingly or willfully provided false and misleading statements or information, has knowingly and willfully omitted information on the application or refused to respond to questions asked by the Gaming Commission specifically related to the eligibility to obtain or retain a Gaming Vendor License.
- c. Has not demonstrated a willful disregard for compliance with any gaming regulatory authority in any jurisdiction or has failed to provide information and/or documentation requested by the Gaming Commission or staff.
- d. Has not pursued or is pursuing economic gain in an occupational manner or context which is in violation of the laws of any state, if such pursuit creates probable cause to believe that the participation of such vendor in gaming related activities or the operations of the gaming enterprise would be detrimental, or perceived as detrimental, to the Little River Band of Ottawa Indians.

Section 8. Temporary License

- 8-1. The Gaming Commission may, at its discretion, issue a Temporary License for up to thirty (30) calendar days to any applicant who sends a request in writing to the Gaming Commission and who has submitted a completed application and the appropriate license application fee. The date of issuance of the temporary license shall also be the starting date for the annual license.
- 8-2. *Criteria for Approval of Temporary Licenses.* The Gaming Commission may authorize the issuance of a temporary license for applicants for a Gaming Vendor License under the following circumstances:
 - a. The applicant's license has expired or is about to expire and the applicant has submitted the required application fee and completed an initial/renewal application but either:
 1. the background investigation has not been completed; or
 2. the results of the background investigation have not been reviewed by the Background Investigator or designee; or
 - b. The applicant has fully completed the application for an initial license, paid the appropriate license application fee, and fully disclosed information and/or documents requested by the Gaming Commission and it appears that after review of the application that the applicant is likely to qualify for a license.

Section 9. General Rights and Duties of Applicants

- 9-1. The holder of a Gaming Vendor License is authorized to sell or lease, and to contract to sell or lease, gaming services or concessions, gaming equipment, gaming devices, and supplies to the gaming enterprise during the year for which the license applies.
- 9-2. *No Property Interest.* A Gaming Vendor License issued by the Gaming Commission is a privilege and shall not constitute a property interest under Tribal or Federal law.
- 9-3. *Responsibility to establish qualifications.* The burden of proving qualifications to receive a license is on the applicant. It shall be the further responsibility and continuing duty of each applicant/licensee to produce such information, documentation and assurances as may be required to demonstrate by clear and convincing evidence his/her qualifications to hold a license in accordance with the Gaming Ordinance, the Compact and Gaming Commission Regulations.
- 9-4. *Renewals.* It is the responsibility of holders of a license to ensure that their license is valid at all times. Holders of a license shall file their renewal application no later than sixty (60) calendar days before their license expires, including updating all information contained in the original application. Temporary licenses may be granted upon request by the vendor and in accordance with Section 8 of this Regulation. Gaming Vendor Licenses (including Control Persons) must be renewed annually. A holder of a license who fails to renew their license within the timeframe specified shall be assessed the following fines, unless defined otherwise by Gaming Commission Order:
- a. \$500.00 – first offense – Gaming
 - b. \$1000.00 – second offense – Gaming
 - c. Revocation hearing before the Gaming Commission – third offense

A license shall not be granted to a vendor who has been assessed a fine until such time that the fine is paid in full.

- 9-5. *Expired License.* A holder of a license who allows their license to expire shall be assessed the following reinstatement fees, unless defined otherwise by Gaming Commission Order:
- a. \$1000.00 – first offense – Gaming
 - b. \$1,200.00 – second offense – Gaming
 - c. Revocation hearing before the Gaming Commission – third offense

A license shall not be granted to a vendor who has been assessed a reinstatement fee until such time that the fee is paid in full. An expired license will result in the Gaming Commission issuing an Order for the vendor to cease conducting business with the gaming enterprise and the gaming enterprise to cease conducting business with the vendor.