

Office of the General Counsel

The General Counsel's Office, also known as the Legal Division, is composed of three units: the Licensing Unit, the Compliance Unit and the Casino Licensing and Regulatory Affairs Unit, which includes the Administrative Practice Unit.

This year the Commission bid a fond farewell to Assistant General Counsel Steve Ingis, who retired in August 2008 after twenty-six years of esteemed service to the Commission.

The Compliance Unit is responsible for providing legal advice to the Commission and to the Operations and Inspections Unit of the Compliance Division on matters relating to accounting and internal controls, gaming equipment, the rules of the games, and casino floor expansions.

During the past year, the Compliance Unit handled a variety of interesting, complex and challenging matters:

- ▶ In response to requests from casinos or the Commission's Operations Unit, it drafted proposed regulations for a number of matters, including cashier-generated gaming vouchers, mystery coupons, new denominations of gaming chips, multi-deck packaging of cards, promotional gaming credits, bill validators with "flash" technology, new procedures for inspection of single-use cards, incremental table game wagers and the funding of annuity slot jackpots; reviewed Assembly bill A-2756, which contained proposed amendments to the Casino Control Act, and recommended a number of revisions and additions that were ultimately incorporated into the final Senate bill S-2519;
- ▶ Monitored proposed expansions to, and reconfigurations of the casino floors of each casino licensee, and oversaw the approval of those proposals; monitored proposed transfers of progressive slot jackpots to ensure compliance with Commission regulations, and handled a number of inquiries from Commission inspectors regarding incidents and issues in various casino-hotels;
- ▶ Reviewed various proposals for new games, and proposed regulations for the following new games, game variations and new wagers: Diamond Roulette (roulette game variation involving sector wagers based upon a multi-colored roulette wheel); Winner's Pot Poker (new poker game); Dragon Bonus (new baccarat and minibaccarat wager); 1 Bet Threat (variation of Texas Hold'em poker game); Supreme Pai Gow (variation of pai gow poker); Fire Bet (new craps wager) and an insurance wager for pai gow poker.
- ▶ Received and processed 419 patron complaints, primarily involving rules of the games, complimentary items, advertising and promotions, a number of which were referred to the Division of Gaming Enforcement for further investigation; responded to numerous subpoenas;
- ▶ In addition to their assigned duties, it assisted the General Counsel Licensing Unit in contested casino service industry and employee matters; assisted in the research and writing of the Commission's briefs in the Adamar of New Jersey's (d/b/a Tropicana AC) appeals of the Commission ruling denying a renewal of its license.

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The Casino Licensing and Regulatory Affairs Unit handles all casino licensing and renewals, and is the Unit primarily responsible for regulatory review.

The Administrative Practice Unit coordinates preparation of the public meeting agenda, notices and minutes as well as access to public records.

The Casino Licensing and Regulatory Affairs Unit also had a challenging, yet rewarding, 2008:

- ▶ Under the direct supervision of, and together with the General Counsel, successfully defended, initially at the intermediate state appellate court and ultimately before the New Jersey Supreme Court, the Commission's decision in December 2007 refusing to renew the Adamar of New Jersey's casino license and denying plenary qualification to the casino licensee's new owners, Tropicana Casino and Resorts, Inc. and its subsidiaries;
- ▶ Advised the Commission as it continued monitoring the conservator it had appointed for former casino licensee Tropicana AC, particularly as to (a) the denial of the conservator's request for permission to "re-convey" the ownership of the casino hotel to its former holding companies and (b) the extension of the period by which the sale or other disposition of the property of the former casino licensee had to occur.
- ▶ Advised the Commission during its consideration of Borgata's request for approval of a material debt transaction to amend its \$800 million credit facility;
- ▶ Advised the Commission regarding the renewal of the casino license of Resorts AC for a five-year term;
- ▶ Assisted and advised the Commission during its consideration of the approval of the form of trust agreement and completeness of the application of subsidiaries of Dubai World for interim casino authorization;
- ▶ Advised the Commission during the renewal of the casino licenses of Showboat, Harrah's, Bally's Park Place and Caesars for five-year terms;
- ▶ Advised the Commission as to plenary qualification of Apollo Hamlet Holdings, LLC and TPG Hamlet Holdings, LLC and more than 50 affiliated entities and individuals in connection with their \$30 billion acquisition of Harrah's Entertainment, Inc.; and
- ▶ Continued to maintain the official records of the Commission and responded to approximately 93 requests for information and/or documents under the Freedom of Information Act and the Open Public Records Act.

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The Licensing Unit advises the Commission on the majority of the agency's contested cases.

The attorneys and professional staff within the Licensing Unit met the challenges of 2008 resourcefully and successfully:

- ▶ Primarily responsible for the preparation of the appellate brief in the Adamar of New Jersey's license and plenary qualification denial proceedings;
- ▶ Successfully defended the Commission at the state appellate court during proceedings arising from the denial of the renewal of a casino employee license. The decision of the Commission was successfully argued before the Appellate Division;
- ▶ Represented the Commission at the state appellate court during proceedings arising from the denial of an applicant for a casino service industry license's petition for the release of monies held in escrow. The decision of the Appellate Division remains pending;
- ▶ Assisted the Commissioners in their capacity as quasi-judicial hearing officers in the conduct of contested licensing proceedings resulting in the issuance of several initial decisions;
- ▶ Opened 990 new contested license and casino violations cases; and
- ▶ Managed an average of 483 contested cases per month and closed 945 contested matters.