



NATIONAL
INDIAN
GAMING
ASSOCIATION

2011

REPORT

INTERNET GAMING & MARKETING OVERVIEW

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JOSEPH EVE
THE TRIBAL SOLUTIONS PROVIDER



Introduction

The relevancy of Internet Gaming (iGaming) in the United States (U.S.) has perhaps never been greater due to the downturn in the U.S. and worldwide economies, the high profile indictments, arrests, seizures of Internet Gambling websites and political lobbying efforts by big commercial gaming. As a result, Tribal Gaming faces a new era of challenges that is likely to include the regulation of Internet Gaming. This document attempts to:

1. Identify Key Factors Propelling iGaming Regulation
2. Illustrate Foreign iGaming Operator Movements in the U.S.
3. Summarize Play-For-Free iGaming Announcements
4. Understand why U.S. Casinos may have the Cart Before Horse on Play-For-Free
5. Illustrate the Current Struggles of Transitioning Online
6. Breakdown the Cost of Customer Acquisition and Retention of Brick and Mortar Gaming Compared to iGaming

Factor's Propelling iGaming Regulatory Process:

According to JOSEPH EVE's 2011 "Indian Gaming Cost Of Doing Business Report," poker gaming revenues continue to make up less than 1% of total revenue generated by Tribal Gaming, so it is natural to wonder why there is so much effort to regulate an online poker industry which could prove to be highly competitive, expensive to regulate, and have a relatively low earnings potential. As described by a colleague, regulation of Internet Poker represents the "camel's nose under the tent". Regulation of Internet Poker is expected to eventually lead to other forms of regulated online gaming (casino, bingo, sports betting, etc). While this may be obvious to some, it remains an unspoken but well understood consequence of the seeds being planted today. Whether positive or negative, this is the long term objective.

Internet Gaming bills HR 2230, HR 1174 and HR 2366 may never make it through the House and Senate this year, but what is evident is the increasing effort behind the structuring and support of the various legislative initiatives by commercial gaming interests. All recent events seem to indicate that the sophistication of legislative efforts to regulate Internet Gaming in the U.S. will intensify in the coming months.

Law Enforcement Approach by Commercial Gaming

One of the recent significant moves by commercial gaming is the creation of "Fair Play USA," (FPUSA) an organization of 'law enforcement officials' designed to influence lawmakers in instituting a regulatory regime for online gaming in the U.S. FPUSA's advisors include former Homeland Security Chief and ex-Pennsylvania Governor Tom Ridge and former Federal Judge



and Director of the FBI, Louis J. Freeh. Both men have notable careers, possess a vast network of powerful political connections, and sit on the board of several major U.S. corporations. According to news sources, commercial gaming companies such as Caesars and MGM are major funding sources of FPUSA.¹



Louis J. Freeh, Former FBI Director



Tom Ridge, Former Homeland Security Chief

What FPUSA may mean to Indian

Gaming is that the stakes have risen to regulate Internet Gaming in the U.S.. Although these major influencers (Freeh and Ridge) are not lobbyist themselves; they certainly provide the lobbyists representing commercial gaming with much more political strategy to open doors to key policy makers on Capitol Hill. Given this level of influence and the capital backing of large commercial gaming interests, Fair Play USA should be considered a major factor to the regulatory push at the federal and state level.



Potential iGaming Policy Shift by Commercial Gaming

According to the Associated Press, some Nevada lobbyists now want Congress to ignore current legislative efforts to legalize online poker and to consider new legislation essentially empowering individual states to license and regulate online gambling.² The American Gaming Association's Frank Fahrenkopf expects a bill laying out this framework before 2012. Though opposed to it in the past, commercial gaming believes it can compete for iGaming operating licenses on a state-by-state basis.

¹ <http://calvinayre.com/2011/10/04/poker/who-is-behind-fairplayusa/>

² AP Oct 4th, Casino Industry Seeking New Online Poker Bill (<http://bit.ly/pwVe6W>)



Impact of Off-shore Gambling Website Arrests

The high profile arrests, asset seizures and license suspensions of FullTiltPoker.com (FTP), Pokerstars.com (PS) and others has provided U.S. iGaming lobbyist with yet more examples why regulations in this loosely controlled industry is direly needed. The contention is that the American public is at risk as long as this continues. The exposed cheating fraud on UltimateBet.com and AbsolutePoker.com (as seen on 60 Minutes) in 2008 became an important milestone in the case to regulate off shore gambling websites. Recently, U.S. Attorney for the Southern District of New York, Preet Bharara, labeled the FTP Company as “a global Ponzi scheme” paying shareholders money from bank accounts that represented deposits of the website’s customers. Indictments against the owner/operators of Pokerstars.com, once the largest online poker site, have resulted in the release of U.S. player funds in the amount of an estimated \$150 million. Ironically, PS continues to offer its online services in non-U.S. jurisdictions and its brand continues to be a going concern. There is speculation that FTP could be acquired by an outside party and also continue its online business in non-U.S. jurisdictions despite prosecution attempts of the owners of FTP and PS by U.S. authorities. It is unknown whether these companies will one day be able to use their brands in the U.S.



Economic Pressure Helping Internet Gaming

With the current high unemployment, looming federal deficits and a dysfunctional government, both state and federal government are examining all possible means to stimulate the economy and compensate for unwanted budget cuts. New Jersey, California and Nevada are some of the hardest hit states in terms of budgetary shortfalls and these states are at the forefront of the Internet Gaming regulatory push.³ The European Union’s debt problems are expected to stall economic recovery in the U.S. and while 2012 is an election year in the U.S., the economic pressure is expected to increase on government officials to seriously consider the potential revenue that Internet Gaming would generate to aid the in the fiscal budget solution.

³ Washington Post 2011 (<http://www.washingtonpost.com/wp-srv/special/politics/state-budget-crisis/>)



Canadian provinces may also become interesting potential partners for U.S. states seeking inter-jurisdictional iGaming trade. This could be of particular interest to American states seeking to build online poker player liquidity outside of their state populations. This cross-border relationship would likely require action at the federal level, perhaps in the form of an amendment to the North American Free Trade Agreement (NAFTA) before individual states could legally enter into reciprocal relationships for Internet Gaming trade.

Foreign iGaming Operators in the U.S.

Foreign Internet Gaming Operators are looking to establish themselves in the U.S. market ahead of iGaming regulation to apply their experience, marketing skills and recognized brands.



Below is a summary of recent events by European iGaming operators:



Genting Berhad:

Through its subsidiaries, Genting Berhad (“Genting”), a \$45B Malaysian multi-national, is the largest operator of casinos in the United Kingdom and is also an operator of Internet Gaming websites in the U.K. The company’s Resorts World New York Casino at Aqueduct is expected to open soon and it has also proposed a \$3B waterfront casino resort dubbed “Resorts World Miami” in Florida. New York and Florida are ranked 1st and 4th in population size so it is no mistake why Genting chose to make investments in these areas. If either state pushed forward with the Intra-state Internet Gaming regulation, Genting could possibly become the largest iGaming operator in the Western hemisphere practically overnight.

Paddy Power:

The giant Irish bookmaker and online gaming website operator applied for a Nevada Gaming License as a mobile gaming operator and supplier in anticipation of a regulated online gaming market in the U.S.

Chili Gaming:

This growing French iGaming operator has forged several partnerships including one with IGT and has recently opened offices in San Francisco, California as a strategic move in preparation of iGaming regulation.

William Hill:

This well-known British high-street bookmaker and online casino brand has acquired three bookmaker companies in Nevada this year; American Wagering Inc, Cal-Neva and Brandywine Bookmaking in anticipation of iGaming regulation.

888 Holdings:

This worldwide iGaming brand (which is familiar in the minds of American online gamblers) has forged a partnership with Caesars Interactive Entertainment, a company headed by iGaming icon, Mitch Garber. The deal was approved by Nevada Gaming Control board this year making this venture a major player in the iGaming market unless 888’s U.S. transaction history somehow derails this partnership as has similar relationships between Pokerstars & Wynn and FullTiltPoker & Fertita Interactive.



Recent Free Play Internet Gaming Activity

There has been a flurry of recent announcements by brick and mortar casinos launching free play gaming websites. These announcements are the result of long standing strategic planning by certain tribal and commercial casinos. While others have deliberated on the issues of what to do about the prospect of Internet Gaming, these organizations have been establishing strategy, restructuring their marketing plans and bringing on the talent needed get this initiative from concept to reality.



That reality is that the “first to market” advantage has already been claimed in California and now everyone else will be playing catch-up. For those states outside of California, expect announcements like these described below:

California Online Poker Association (COPA) launches Calshark.com

COPA, a consortium of 60 tribal governments and commercial card rooms, has launched the beta version of their free play gaming site called calshark.com on SciPlay technology. Included in calshark.com are social gaming components such as friend invites, player leveling and player profiles. The organization has announced that they will also offer a Facebook application version.



Hustler Casino (CA) – HustlerCasinoLA.com

Larry Flynt’s Hustler Casino launched a free play site the day after Black Friday when U.S. authorities cracked down on illegal online poker website operators abroad. Hustler is the first in California to launch Free Play Gaming Online.



Maryland Live! Casino (MD)

The new casino to be opened in June 2012 in Arundel Mills Mall, Maryland, has already announced they will offer a free play gaming site via Aristocrat technology.

MGM Resorts (NV)

MGM Resorts CEO, Jim Murren announced at G2E that his company will offer a social network gaming experience online soon to be unveiled. “The demographics of (online) gamers are really right in the strike zone of the gaming industry”, said Murren.

Barona (CA)

The Barona tribe announced their partnership with iGaming supplier G2 GTECH to launch a free play gaming site.

South Point Hotel, Casino & Spa (NV)

South Point expects to be the first Las Vegas strip casino to launch a play for fun poker site. The site will utilize the ZEN Gaming platform similar to Hustler Casino.

DC Lottery (DC)

As known for some time now, the DC Lottery was to launch a play for fun poker website ahead of real money online poker gaming in September but actions by DC council members have delayed the launch. Special hearings will be held to consider the viability of the project’s implementation. DC Lottery is set to use iGaming technology by supplier Intralot/CyberArts.

Caesars Interactive (NV)

Caesar’s \$80M investment in debt laden, social gaming developer ‘Playtika’ (Israel) is showing signs of promise. Appdata shows Playtika generating 1.5 million daily active users (DAU) and 6.5 monthly active users (MAU) to their Facebook slot machine games.





How “Play for Free” Stacks up for Indian Gaming

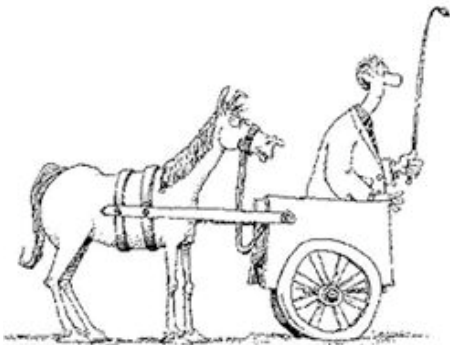
Play-For-Free gaming is now viewed as an extension of brick and mortar casino marketing efforts and no longer just a hedge against the possibility of Internet gaming regulation. Play-For-Free gaming, social media and mobile applications combined with club membership programs have a bright future.

However, with almost 1,000 casinos (tribal and non-tribal) in the U.S. and over 2,000 off-shore Internet gaming websites, the potential for an excess of play for free gaming and similar online incentive programs seems unavoidable. The main questions become, “How will a player distinguish itself among all these online entertainment offerings and how can the tribes compete in this area?”

Cart before the Horse: Lessons from iGaming

Many tribes are in the process of negotiating iGaming technology agreements or have already established agreements with iGaming suppliers without first having a sound business strategy in place based on realistic objectives and experience in the iGaming business. All too often ‘vendors’ are helping drive the casino’s iGaming strategy, which can be a perilous course to follow, because vendors are not usually the operators. There is no one-size-fits all iGaming strategy and what may be working for one of the vendor’s licensees, may not necessarily be suited for another tribe. Market size, demographics, budgets, brick and mortar strategy, staff, experience level and resources are just some of the many factors that must be considered in a formal iGaming business strategy before vendors can be vetted. Vendors are an important component of success but the tribes should be dictating to the vendors their needs analysis with a firm understanding of exactly what those needs are. Engaging an iGaming vendor for software is not quite like purchasing slot machines. iGaming software is a dynamic marketing tool that must constantly adapt to the needs of the marketing leadership, the changes in the marketplace and the goals of the tribe. This requires a partnership arrangement, which can make exiting from these relationships sometimes onerous. Understanding your objectives and having the knowledge, experience and tools to reach those objectives will determine what kind of iGaming technology is ideally suited down to specific features and functionality. As in all major business decisions, operators should be cautious of ‘how to be successful’ pitches.

One of the factors that separate the most successful off-shore iGaming operators from the 2,000 other competitors online is the knowledge and information that allows them to make decisions confidently and swiftly. Although there is no silver bullet for success in online gaming,





understanding your product, market, strategy and execution is critical as demonstrated by Partygaming, 888, Bodog and others. “Learning” from experimentation, measurement and iteration is good practice but a tribe’s investment in an iGaming strategy should not be a “gamble”. Tribes that do not have the information, experience or know how to enter this market from a point of strength should consider outsourcing for direction and expertise.

Although all tribes may not have the iGaming and Internet Marketing experience today, it does not mean that this cannot be fostered from over time. Another important aspect of highly successful iGaming brands is that the marketing/business development brain trust of the organization remains largely internal. Ad agencies are indeed contracted by these iGaming operators but the core business intelligence and execution planning remains internal and highly confidential. This is a key reason why retention of highly skilled staff is imperative. Some significant iGaming challenges can be summarized as:

1. Change: To compete in iGaming requires an organization to be nimble, highly informed, hyper-communicative and capable of making decisions in short periods of time. For some organizations, this may require some organizational restructuring particularly to streamline communication and ensure online and offline promotional agendas are synchronized.
2. Talent: Many organizations today lack staff, consultants and executives that have experience in Internet Marketing and iGaming. Experts that can assist them in executing today while nurturing talent from within via training and on the job experience are critical to success. BC Lottery’s PlayNow.com Division has several ex-Bodog staff and ex-Bodog consultants because their knowledge and experience are invaluable for PlayNow.com to compete with off-shore competitors like Pokerstars.com.
3. Compensation: Highly successful iGaming companies do whatever necessary to keep the best talent from leaving because it is so difficult to find good talent and even more difficult to train staff to immediately fill those positions.
4. Commitment: iGaming is not a short game. Successful iGaming operators are characterized by tenacity and endurance necessary to stick it out until they can identify areas of profitability and exploit them. To compete in this market, a long term investment in developing and nurturing internet/mobile marketing skills internally is necessary. It takes time to develop an online business plan, restructure the organization, position key internal personnel, train staff, incorporate new tools, begin experimentation, determine measurement and iteration, establish online partnerships, and channel distribution relationships. This should be viewed as a commitment to a transformation over time that will ensure your organization is competitive.



The Struggles of Transitioning Online (Strategically)

Gaming relies heavily on traditional forms of advertising today. As a result, many tribal nations have invested little into their online presence.

JOSEPH EVE recently evaluated the website optimization of 10 tribal casinos in the Midwest from small regional casinos to large casinos operations. The results concluded that most suffered from common website optimization deficiencies ranging from missing meta tags, poorly worded title tags, missing headers, keyword tags, robot.txt file missing, pages not cached, broken links, permanent use of 302 redirects, too many http requests and other issues. None offered mobile optimized websites or mobile applications. Several still employ iframes, heavy flash animation and video on home pages, all considered problem issues for search ranking, visibility and access.

In addition, 80% of the casinos surveyed suffered from largely negative reviews and ratings on crowd sourcing websites like TripAdvisor, Google Places, Yelp and others. Market Metrix, a data analytics company specializing in the hospitality industry recently evaluated customer feedback of a 150 room casino-hotel to determine how much casino promoters/detractors are actually worth. Based on guest survey data, it was determined that promoters (guests who say they are very likely to recommend the casino to others) tell 3-6 others about their positive experience and one out of 10 of these satisfied guests will create at least one online posting about their experience. Based on this analysis, the positive word-of-mouth from a happy customer is worth \$1,180 in profit to the casino. Detractors (a customer who has had a negative experience and is likely to tell others) will end up costing the casino an average of \$490 per upset customer. Forrester Research has determined that over 25% of online consumers read reviews.

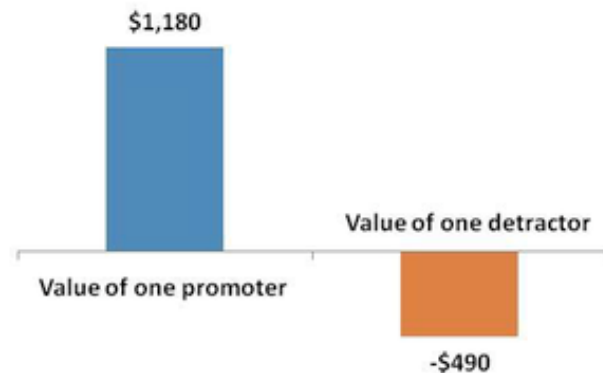


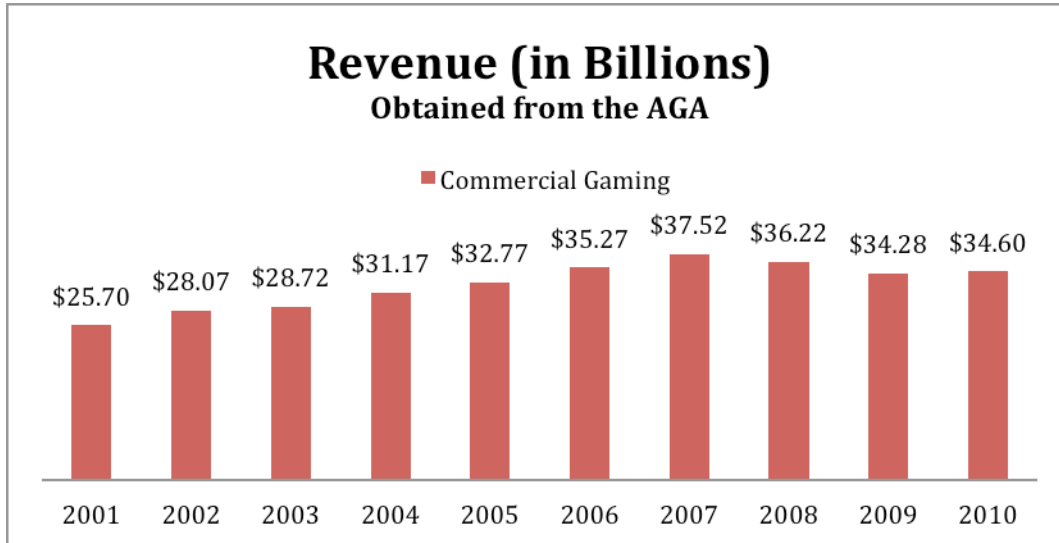
Exhibit 6: How much are casino promoters/detractors worth?

Although all casinos in the analysis had Facebook pages, most were using their Facebook Wall to push the same advertisements and promotions found in their traditional media advertisements. With the exception of one casino, all nine had fan counts under 15,000. Any twitter accounts that were promoted essentially mimicked their Facebook efforts resulting in a similar low number of followers. Employment of other social or mobile technologies was non-existent.

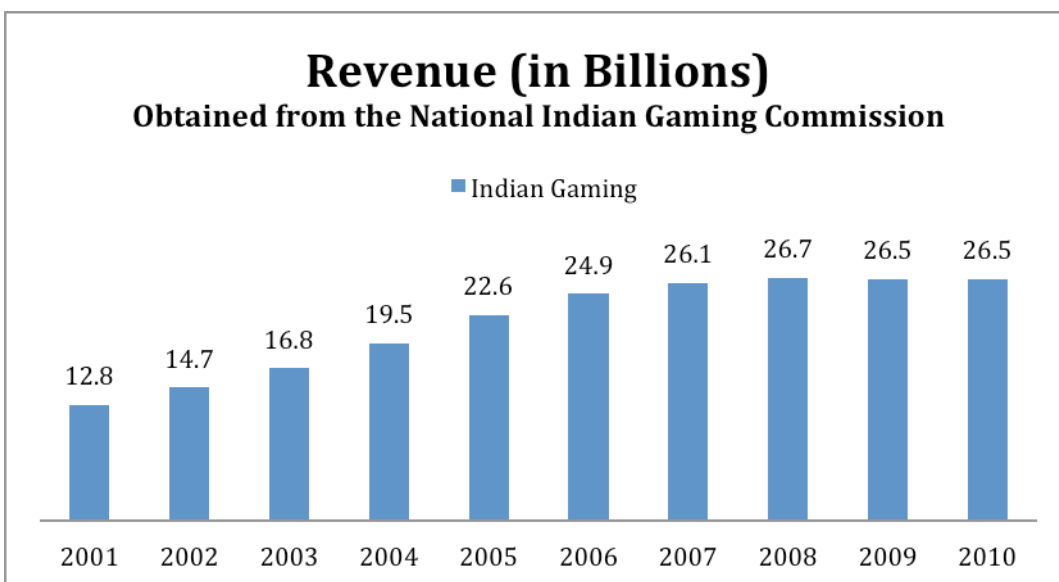


US gaming financial figures/ Global gaming financial figures

United States commercial gaming revenues have been steadily decreasing from the record high of \$37.52 billion in 2007 to \$34.60 billion in 2010. This represents an increase of approximately 1% from 2009 and a decrease of over 8% from 2007's record revenue numbers. This revenue estimate includes the states that allow commercial casino operations (non-tribal).



The National Indian Gaming Commission reported Indian gaming revenues of \$26.5 billion for 2010, which was no increase or decrease from 2009 reported revenues of \$26.5 billion. This revenue analysis includes over 422 independently audited financial statements from 236 gaming tribes in the United States.





Global gaming revenue figures are not as clear due to vague reporting requirements of many nations, little online gaming reporting requirements, the rapid expansion of Asia, and illegal gambling enterprises. Many analysts estimate the global gaming market to be in the range of \$110-125 billion excluding illegal operations. To put this into perspective, if conservative estimates of online gaming are about \$30 billion and the global gaming market is estimated around \$120 billion, one in every four dollars is gambled online. That number is expanding while land based operations are decreasing in many regions of the world. Some analysts' estimate online gaming will increase at 10-15%, or possibly more, if it is legalized in the United States.

Extracted from JOSEPH EVE's 2011 Cost of Doing Business Report

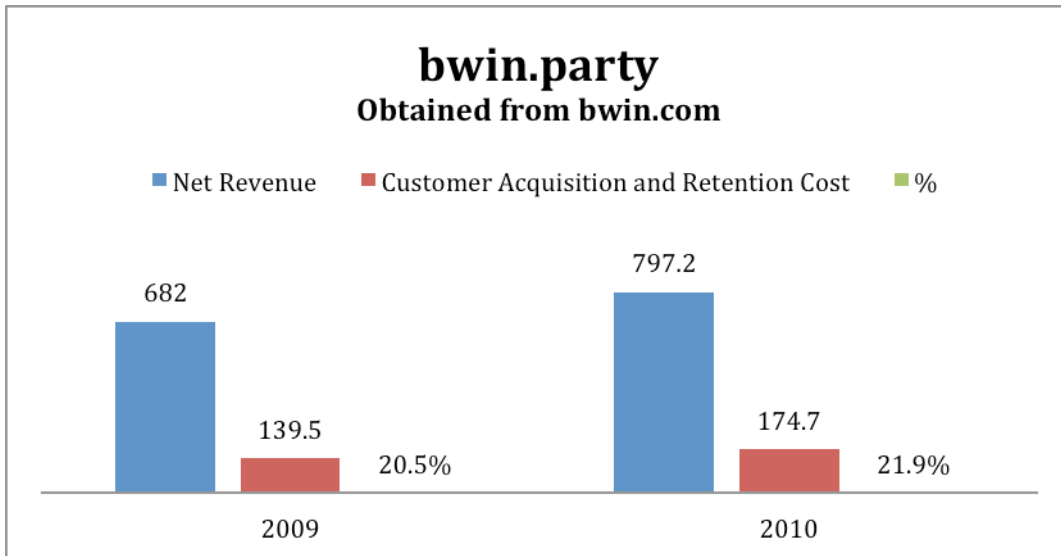
INCOME STATEMENT – ALL AND BY REVENUE

COMMON SIZE – ALL CASINOS	All Casinos	Under \$20 M	\$20 M \$45 M	\$45 M \$100 M	Over \$100 M
Gaming Revenue					
Slot Revenue	79.26%	85.66%	80.61%	77.88%	79.16%
Table Revenue	5.76%	2.01%	2.97%	3.73%	7.19%
Poker Revenue	0.69%	0.39%	0.28%	0.37%	0.89%
Keno Revenue	0.08%	0.00%	0.05%	0.20%	0.05%
Bingo Revenue	0.80%	0.53%	0.63%	0.97%	0.79%
Pull-Tab Revenue	0.01%	0.00%	0.01%	0.00%	0.01%
Pari-Mutuel Wagering Revenue	0.05%	0.00%	0.00%	0.00%	0.07%
Non-Gaming Revenue					
Hotel Revenue	2.03%	0.59%	1.60%	2.93%	1.89%
Food and Beverage Revenue	7.26%	7.42%	7.84%	9.20%	6.50%
Gift Shop Revenue	1.16%	2.20%	0.93%	2.02%	0.87%
Other Revenue	2.90%	1.20%	5.08%	2.70%	2.58%
Total Casino Revenue	100.00%	100.00%	100.00%	100.00%	100.00%

Poker and pari-mutuel accounted for very little revenue in the report, less than 1% of total gaming revenues. As such, if tribes are able to compete on a level playing field, there is an opportunity to capitalize economic development opportunities.

Marketing, Customer Acquisition and Retention Costs

Marketing, customer acquisition and retention are major costs associated with brick and mortar and online gaming. This number can vary based on the stage and strategy of the online company. When you analyze bwin.party's 2010 pro forma income statement, the customer acquisition and retention costs are €174.7M on €797.2M of net revenue, which is approximately 21.9% of revenue.



Below is an excerpt from JOSEPH EVE's 2011 Cost of Doing Business Report © on the allocation of Indian Gaming expenses by segment. According to these numbers, marketing expense for all casinos is approximately 2.47% and complimentary expense is 3.09%. For example, for a casino that generates \$100M in net revenue, \$5.6M is spent on marketing and complimentary. This is a significant amount but minimal in comparison to the amount the online gaming companies spend on customer acquisition and retention. Another item to consider is the free play that brick and mortar companies entice their customers with which could be considered a retention expense. The accounting presentation on this varies by property but is usually netted against revenue, so that is not included in the above stated numbers. According to the newly released AICPA Audit and Accounting Guide, discretionary free play increases the customer's odds of winning. According to FASB ASC 605-50-45, cash consideration given as a sales incentive is presumed to be a reduction in the selling price. An example of the accounting presentation is:

- Patron puts \$50 in cash and also puts a \$25 free play coupon into a slot machine
- Patron plays machine for a while and cashes out when he has \$20 left on the machine
- Casino would have a net win of \$30 [$\$50 + \$25 - \$25 - \20]
- Casino would recognize \$30 in revenue in the financial statements

These accounting principles are important so the reader and analysts can compare "apples to apples" for costs associated with marketing, player retention, and player acquisition.



Extracted from JOSEPH EVE's 2011 Cost of Doing Business Report

COMMON SIZE – ALL CASINOS	All Casinos	Under \$20 M	\$20 M \$45 M	\$45 M \$100 M	Over \$100 M
Operating Expenses					
General and Administrative Wages	4.24%	6.27%	4.89%	4.26%	4.01%
Casino Wages (Cage, etc.)	1.85%	3.66%	2.17%	1.76%	1.73%
Security Wages	1.68%	3.69%	2.24%	1.78%	1.44%
Surveillance Wages	0.27%	1.17%	0.68%	0.38%	0.11%
Maintenance Wages	1.28%	1.66%	1.91%	1.42%	1.08%
Housekeeping Wages	0.73%	0.68%	0.63%	0.99%	0.67%
Employee Benefits	6.57%	6.03%	6.70%	6.89%	6.46%
Employee Incentives	0.66%	0.35%	0.50%	0.70%	0.69%
Fees	0.32%	0.28%	0.82%	0.16%	0.27%
Compact/Gaming Fees	2.22%	2.68%	1.45%	2.19%	2.37%
Professional Services	0.57%	0.82%	0.80%	0.81%	0.43%
Contract Labor	0.60%	0.59%	0.48%	0.57%	0.63%
Marketing Expense	2.47%	2.28%	2.68%	2.39%	2.46%
Busing and Transportation Expense	0.62%	0.45%	0.81%	0.20%	0.73%
Rent Expense	0.53%	0.31%	0.95%	0.38%	0.49%
Equipment Expense	0.31%	0.22%	0.23%	0.53%	0.26%
Donations and Sponsorships	0.33%	0.39%	0.39%	0.51%	0.25%
Depreciation Expense	6.97%	5.84%	7.89%	6.88%	6.86%
Supplies	1.35%	2.11%	1.68%	1.56%	1.18%
Printing, Postage, Dues and Subscriptions	0.28%	0.30%	0.34%	0.41%	0.23%
Promotional Expense	5.38%	3.12%	3.80%	6.16%	5.56%
Complimentaries	3.09%	1.59%	2.39%	2.25%	3.59%
Bank Charges/Bad Debt Expense	0.15%	0.28%	0.18%	0.22%	0.12%
Over/Short Expense	0.01%	0.01%	0.01%	0.01%	0.01%
Credit Card/Check Cashing Expense	0.18%	0.16%	0.30%	0.18%	0.16%
Telephone/Utilities Expense	0.64%	1.24%	0.87%	0.67%	0.55%
Training, Travel, Meals and Entertainment	0.47%	0.91%	0.68%	0.39%	0.43%
Laundry/Uniform Expense	0.26%	0.17%	0.27%	0.21%	0.28%
Repairs and Maintenance Expense	1.16%	1.38%	1.24%	1.26%	1.11%
Insurance Expense	0.59%	0.58%	0.58%	1.08%	0.43%
Participation Expense	2.60%	5.46%	3.76%	3.96%	1.77%
Gaming Commission	0.59%	2.23%	1.26%	0.72%	0.34%
Miscellaneous Expense	0.34%	0.21%	0.65%	0.16%	0.34%
Total Operating Expenses	49.31%	57.12%	54.23%	52.04%	47.04%



JOSEPH EVE

JOSEPH EVE (JE) is a CPA & Consulting firm that specializes in Indian Country by providing internet marketing, internet gaming strategies, cloud computing technologies, casino audits, outsourced accounting services, NIGC MICS compliance reviews, internal audits, contract controller services, custom and National seminars, business planning, and consulting services throughout the United States. In addition, we facilitate seminars throughout each year on casino related topics. JE has been serving tribal governments, tribal casinos and tribal entities since 1983.

JE currently serves clients from Washington DC to San Diego. A few current and past gaming clients include Ho-Chunk Gaming, Osage Million Dollar Elm Casinos, Sycuan Casino and Resort, National Indian Gaming Association (NIGA), and Harrah's Rincon Casino.

JE publishes the annual Cost of Doing Business report (CODB) that compiles information from over 75 casinos with the results used by many casinos as a business management aid to help analyze many unique financial metrics specific to tribal gaming.

Disclaimer

JOSEPH EVE is not responsible for projections in this overview report. These projections are based on research and assumptions by JOSEPH EVE and industry specialists. As Internet gaming is operated globally and highly unregulated in many areas, it is impossible to retain exact financial figures. We have made our best effort to provide reliable, accurate, and reasonable information.

This overview may not be used for projections without the written consent of JOSEPH EVE. This has been prepared for the National Indian Gaming Association and no other organizations.

Questions/Comments

Please contact Ehren Richardson at (406) 727-1798 or ehren.richardson@josepheve.com or Grant Eve, CPA, CFE, at (406) 727-1798 or grant.eve@josepheve.com.

Ehren Richardson, is an Internet Gaming and Marketing Consultant at JOSEPH EVE responsible for assisting tribal gaming with iGaming business strategy and execution. He has provided iGaming technology and consulting to the Hard Rock Hotel & Casino, Unilever, Shuffle Master, Electronic Arts, BODOG, Big Fish Games, MSN Sympatico, Real Networks and others. Ehren introduced the first browser-based casino and poker software in the 90's that helped grow some of the biggest brands in Internet Gaming today. He partnered with SEGA Gaming to introduce the first virtual horseracing device for casinos that offered 3-8 player terminals. He helped launch the online gaming website of the "Degree Poker Championship" a nationally televised poker tournament in Canada (sponsored by Degree Deodorant, TSN, ESPN) which



generated over 20,000 active online users per tournament. Recently Ehren has launched Facebook apps and Mobile apps for clients on several topics including Climate Change, Fantasy Sports, Video Game and Movie Review TV shows. Ehren is a Native Hawaiian (Kānaka Maoli) involved in the Hawaiian sovereignty movement. He is also a member of the International Internet Marketing Association and the Vancouver Enterprise Forum.

Grant Eve CPA, CFE, is a Manager and in charge of business development at JOSEPH EVE. He brings several years of industry experience with and was previously employed at Deloitte LLP in Las Vegas, Nevada, in the firm's National Gaming Practice. Mr. Eve has been closely following internet gaming and has recently spent time in Washington DC visiting with Barney Frank's group, multiple congressmen and senators, and the National Indian Gaming Association. He has provided Internet gaming consulting services for NIGA and presented on Internet gaming at the following tradeshows: Washington Indian Gaming Association Annual Tradeshow, Sycuan Casino & Resort Seminar, Oklahoma Indian Gaming Association Annual Tradeshow, National Indian Gaming Association Mid Year Meeting, National Indian Gaming Association Tribal Leaders Membership Meeting, National Indian Gaming Association Internet Subcommittee, and the National Indian Gaming Association Annual Tradeshow.



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