



### Review of Vendor Services:

As we see it vending is the process of providing a product or service for a fee paid in advance. A pop/soda machine is referred to as a vending machine. We reference the signs in a five star hotel that say “vending machines” and have an arrow pointing the way. In this case a physical item is offered in the vend. A pool table in a lounge is also a vending service, This type of service does not consume an item that is replaced on a daily basis.

The Social Gaming Console is the same as a pool table in operation. Ill review the pool table process. To play on the table a fee is paid to release the balls to the table. In the various games of pool a complete game can be had with this provided service. At the games end another fee is required to play another game.

The host of the pool table (the lounge) is paid for the space that’s used by sharing in the fees collected.

### Social Gaming Consoles Claims:

Social Gaming Console being the first Class 10 Security and Class 10 game Trust device, charges for the use of the Console on a usage based fee system. The Host of a Social Game may not profit from the game, our Console has no fee to rent a unit. Thru our Vend-A-Hand service the players that have the deal button pay for the next hand to be dealt. The Host occurs no cost to use a Social Console to hold a game on. Our a vendor fee is required prior to receiving a hand.

### Our Test: Analyze the Vendor Fee Service:

We received access to all of the source code involved in the game cycle and did verify the sub routines and modules.

Our first analysis will be to check that the service complies with the Social Gaming Exception Laws. The game play modules of the Social Consoles programs controls the vendor service. A player has cash in the float held by the host we verified the amount is held in a protected memory and on the drive when a player is logged into the room. The Social Gaming Console has an exact procedure that precedes the start of a hand.

The process starts with the players being seated at a table. This action is not the start of the game. The vendor program asks the dealer program which player has the active deal button for the hand being requested. The vendor program then asks the banking program to transfer one fee from the players account to the vendor account.

When the transaction is complete a digital token is generated and sent to the Hand Repository that logs the transaction. The Repository returns a token with an additional security Byte sent to the dealer that fee was collected for. The dealer then contacts the banker program and assigns the players account amounts to chips used in the game play modules.

The dealer then calls Tru-Deal and receives a shuffled deck the winners list is processed and it deals one hand that ends with a visual winner listing. The dealer contacts the banking program and has the chips converted back to cash in the float. Because a player can join a game and play a single hand every hand is treated a complete game.

### Our Conclusions:

The vendor fee service is not a take away from the game being offered in the Console. The exact data path was traced and it is a service that precedes the start of the game. The fee is charged to the players in the game but not as part of the games wagers. It is compliant with the Federal Social Gaming Exception that applies to all states.

The Social Gaming Console is a “no overhead to the host” vendor service device that makes it compliant with the Federal Social Gaming Exception that applies to all states.

The fee is taken in cash not game tokens (chips) making it a simple cash exchange vending service (like a pool table).

The Social gaming Console vends one hand for one fee. The Console lease amount is equal to the fees collected making this devices fees totally based on usage. Social Gaming Console is a simple usage based vending service.