

STATE OF ARIZONA
OFFICE OF THE ATTORNEY GENERAL
SPECIAL INVESTIGATIONS SECTION

AMUSEMENT GAMBLING AND RAFFLE REGISTRATION FORM

Before any person conducts an amusement gambling intellectual contest, or event, pursuant to Arizona Revised Statute § 13-3301., paragraph 1, subdivision (d), item (III), and Arizona Revised Statute § 13-3311, such person shall register with the Attorney General's Office, 1275 West Washington Street, Phoenix, Arizona 85007.

Note: Notwithstanding this registration, under no circumstances may you represent to anyone, directly or indirectly, that the Arizona Attorney General or any subdivision of the State of Arizona has reviewed, authorized, or approved your proposed activity.

Name: Schnaubelt John Anthony
(Last) (First) (Middle)

Title: Co-founder and Member, Real Poker L.L.C.

Address:

& Phone: 220 W Marco Polo Rd, Phoenix AZ 85027 (480) 694-7292
(Street) (City) (State) (Zip) (Phone)

Date of Birth: May 31, 1966

Organization: Real Poker L.L.C.
(Name)

Org. Address

& Phone: 220 W Marco Polo Rd, Phoenix AZ 85027 (480) 694-7292
(Street) (City) (State) (Zip) (Phone)

(If P.O. Box, please give physical address also)

Type of Organization: Private social poker club (pending 501c7), an Arizona LLC

Name and Description of the Event: Name: "Real Poker Pizza Party". \$100 entry fee
includes dinner, a club meeting, and a Texas Hold'em poker tournament.

Duration of the event: 10/31/18, 4 hours: 6pm Meeting/Dinner, 7pm-10pm Tournament

Date(s) prizes to be awarded: 10/31/18, upon conclusion of event

Name and description of the prizes to be awarded: \$200 guaranteed minimum cash prize
pool, projected to \$3,000 with 36 entries, to be determined and announced by 7pm 10/31/18.

Purchase price of prizes to be awarded: See Attachment A, \$200 guaranteed, \$3K est.

Minimum dollar amount of all prizes to be awarded: \$ \$200 guaranteed minimum prize pool

AMUSEMENT GAMBLING AND RAFFLE REGISTRATION FORM

Supply a copy of or set forth all rules governing the contest or event, including the rules applicable in case of a tie:

1. "Tournament Directors Association Rules" - www.pokertda.com/poker-tda-rules
2. and "Roberts Rules of Poker" - www.pokercoach.us/robspkrrules4.htm
3. are incorporated. INCLUDED in previous registrations. Available online above.
4. Tournament specific rules: Ties chop the prize. No raffle or lottery allowed.
5. Only Real Poker members (and bona fide guests) may participate in event.
6. Event entry closes at 6pm on 10/31/18. \$100 entry fee includes dinner/meeting
7. and poker tournament: 5K chips, 15m 25-50 blinds. \$200 guaranteed prize
8. pool, projected to \$3,000 w/ 36 players. 1st place Pays 40% of the prize pool,
9. 2nd = 30%, 3rd = 20%, and 4th = 10%. ***100% of the net proceeds, if any, are
10. returned to the players through the prize pool .*** See Attachment A.

The statutory agent or person authorized to accept service of process in Arizona for the person conducting the contest or event:

Name & Title: John A. Schnaubelt Co-Founder and Member of Real Poker
(Name) (Title)

Address:
& Phone: 220 W Marco Polo Rd, Phoenix AZ 85027 (480) 694-7292
(Street) (City) (State) (Zip) (Phone)

If the event is a raffle: N/A

1. Is the organization tax exempt pursuant to A.R.S. § 43-1201, paragraphs 1, 2, 4-7, 10, or 11? _____

If yes, please provide supporting documentation.

2. Has the organization been in continuous existence in Arizona for at least the last 5 years? _____

AMUSEMENT GAMBLING AND RAFFLE REGISTRATION FORM

Within ten days following the award of all prizes in connection with an amusement gambling intellectual contest, or event, the person conducting the contest or event shall file with the Attorney General's Office the names and addresses of all persons who have won prizes in connection with the contest or event.

For each amusement gambling, intellectual contest, or event held, the person conducting the event shall file with the Attorney General's Office a sworn statement under oath that no increment has been added to the established purchase price for the product in connection with the gambling event.

I certify that the information provided herein is true and correct to the best of my knowledge.

Registrant Signature

SUBSCRIBED AND SWORN to before me this _____ day of _____, 20____.

Notary Signature

Notary Public Commission Expires: _____

AMUSEMENT GAMBLING AND RAFFLE REGISTRATION FORM

WINNERS LIST FORM

Within ten days following the award of all prizes in connection with an amusement gambling, intellectual contest, or event, the person conducting the contest or event shall file with the Attorney General's Office the names and addresses of all persons who have won prizes in connection with the contest or event.

Name of contest: "Real Poker Pizza Party" Date of contest: 6-10pm, Wednesday, 10/31/2018

1. Notwithstanding ARS 13-3311.6.D., a list of the names and address of all persons
2. who won prizes in connection with the Real Poker Pizza Party shall be submitted to
3. the Attorney General's Office on or before November 10, 2018.
- 4.
5. As a pending 501c7 organization, Real Poker LLC is not required to register our
6. events pursuant to ARS §13-3311. This five (5) page representative registration serves
7. the dual purpose of formal notice to the State of Arizona through the Arizona
8. Attorney General's office of a typical Real Poker LLC event. Our Operating
9. Agreement, once executed, will be filed with the Maricopa County recorders office,
- 10 and a current, amended version will always be available at www.RealPoker.org.

For each amusement gambling, intellectual contest, or event held, the person conducting the event shall file with the Attorney General's Office a sworn statement under oath that no increment has been added to the established purchase price for the product in connection with the gambling event.

I certify that the information provided herein is true and correct to the best of my knowledge.

Registrant Signature

SUBSCRIBED AND SWORN to before me this _____ day of _____, 20____.

Notary Signature

Notary Public Commission Expires: _____

ATTACHMENT A

"Real Poker Pizza Party" - A Private Entertainment Event

Arizona's amusement gambling exclusion prohibits "offering prizes as a lure" (A.R.S. 13-3301.C). Net proceeds from this event, if any, are added to the prize pool and distributed to the winner(s).

In two places on the Attorney General's Registration Form, the word "**prizes**" replaces the word "**product**" as used in ARS 13-3311: (1) The "name and description of the **prizes to be awarded**" and (2) The "purchase price of the **prizes to be awarded**".

ARS 13-3311.A.2. is the only place that the value of the **prizes** is asked for, and only then for the the minimum dollar amount of all prizes to be awarded. By establishing a minimum value for the prizes, it is implied that the final established value of the prizes may be greater than advertised. This does not add an increment to the price of the product, as shown in the projections below.

The prize pool, entry fees, and event-related overhead all comprise "**part of the established purchase price for the product**". The "purchase price", or "value", of any "product" is established by the formula $R-O=V$. Revenue less Overhead equals the product's fair market Value, or "established purchase price". The projected "established purchase price for the product" is shown below.

The "money paid to gamble" is participating Club member's \$100 entry fees.

Increasing a \$200 guaranteed prize pool to achieve a "net zero" balance ensures that "no increment has been added to the **price in connection with the gambling event**" (13-3301.d.iii), and that "no increment has been added to the **established purchase price for the product in connection with the gambling event**" (ARS 13-3311.C), and that "**no increment has been added to the established purchase price for the product in connection with the gambling event.**" (13-3311.C.6).

Amusement gambling poker tournaments (AGPTs) do not trigger the poison pill clause of the tribal-state compacts any more than free pub poker or charity "monte carlo" nights do. The clause excludes gaming that was legal prior to 2003, including amusement gambling.

The "lure analysis" fails when there is no profit or private inurement, as with a 501c7 co-operative club.

Examples of Event "Established Purchase Price" with "No Increment" added:

<u>Event Entries</u>	<u>Gross Revenue</u>	<u>Event Overhead</u>	<u>Net Profit/Loss</u>	<u>Adjusted Prize Pool</u>	<u>Established Product Price</u>	<u>Real Poker Profit/Loss</u>
4	\$400	\$600	-\$200	\$200	-\$200	-\$400
14	\$1,400	\$675	\$725	\$725	\$925	\$0
24	\$2,400	\$750	\$1,650	\$1,650	\$1,850	\$0
34	\$3,400	\$825	\$2,575	\$2,575	\$2,775	\$0
44	\$4,400	\$900	\$3,500	\$3,500	\$3,700	\$0

This is the "established purchase price" for the "event product", based on the final number of entries. No increment is added to this value, which is established at the start of the tournament. Whether 4 entries or 44, the value of the event product remains unchanged from start to finish.