

DEPARTMENT OF TREASURY

EXECUTIVE DIRECTOR OF THE MICHIGAN GAMING CONTROL BOARD

MILLIONAIRE PARTIES

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These rules become effective immediately upon filing with the Secretary of State unless adopted under section 33, 44, or 45a(6) of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

(By authority conferred on the executive director of the Michigan gaming control board under executive order 2012-04, by section 13 of 1972 PA 382, MCL 432.113)

R 432.101, R 432.102, R 432.103, R 432.104, R 432.105, R 432.106, R 432.107, R 432.108, R 432.109, R 432.110, R 432.111, R 432.112, R 432.113, R 432.114, R 432.201, R 432.202, R 432.203, R 432.204, R 432.205, R 432.206, R 432.207, R 432.301, R 432.302, R 432.303, R 432.304, R 432.305, R 432.306, R 432.307, R 432.308, R 432.309, R 432.310, R 432.311, R 432.312, R 432.313, R 432.314, R 432.315, R 432.316, R 432.317, R 432.318, R 432.319, R 432.320, R 432.321, R 432.322, R 432.401, R 432.402, R 432.403, R 432.404, R 432.405, R 432.406, R 432.407, R 432.408, R 432.409, and R 432.410 are added to the Michigan Administrative Code.

PART 1. GENERAL PROVISIONS

R 432.101 Definitions.

Rule 101. (1) As used in these rules:

- (a) "Act" means 1972 PA 382, MCL 432.101 et seq.
- (b) "Administrative procedures act" means 1969 PA 306, MCL 24.201 et seq.
- (c) "Bona fide," when referring to an organization, means a nonprofit organization that meets all of the requirements of the act and these rules and is organized and operated to accomplish the purposes stated in the act for that organization category and in the organization's bylaws, constitution, charter, or articles of incorporation.
- (d) "Bona fide member" means a member, according to an organization's established membership criteria, who participates in the organization to further its lawful purposes.
- (e) "Charitable purpose" means 1 or more of the following causes, deeds, or activities that are beneficial to the general public:
 - (i) Relief of poverty.
 - (ii) Advancement of education.
 - (iii) Advancement of religion.
 - (iv) Protection of health or relief from disease, suffering, or distress.
 - (v) Advancement of civic, governmental, or municipal purposes.
 - (vi) Protection of the environment and conservation of wildlife.
 - (vii) Defense of human rights and the elimination of prejudice and discrimination.
 - (viii) Any other purpose that the executive director determines to be beneficial to the general public.
- (f) "Compliance meeting" means a meeting as prescribed by the administrative procedures act, conducted by the executive director at which the licensee has an opportunity to show compliance with the act, these rules, terms of probation, directives, public policy of the state of Michigan, or any other local, state, or federal law or regulation.
- (g) "Compliance meeting notice" means the document issued by the executive director before the compliance meeting to inform a licensee of the date, time, and location of the compliance meeting.

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- (h) "Contested case hearing" means a formal hearing before a hearing officer conducted as prescribed by the administrative procedures act.
- (i) "Contested case hearing notice" means the document issued by the executive director before the contested case hearing to inform a licensee of the date, time, and location of the contested case hearing.
- (j) "Dealer" means the person performing the act of dealing an executive director-approved game in accordance with the approved rules of the game and the act and these rules during a licensed millionaire party.
- (k) "Demarcated area" means the physical area in which licensed millionaire party gaming will be conducted, the boundaries of which are marked with rope or tape or separated in an access-controlled area of the location.
- (l) "Executive Director" means the executive director of the Michigan gaming control board under the authority granted in Executive Order 2012-04.
- (m) "General public" means society as a whole or any considerable part of society.
- (n) "Gross revenue" means the monetary value received by the licensee for all fees charged to participate in the millionaire party before any deductions for prizes or any other expenses.
- (o) "Informal meeting" means a meeting conducted by the executive director, at its discretion, at which the executive director discusses the failure of the licensee to comply with the act, these rules, terms of probation, directives, public policy of the state of Michigan, or any other local, state, or federal law or regulation.
- (p) "Lawful purpose" means 1 or more of the authorized purposes stated in a qualified organization's written bylaws, constitution, charter, or articles of incorporation on file with the executive director.
- (q) "Lessor" means a person, and that person's agents, who rents a location to a licensee for the purpose of the licensee conducting a millionaire party.
- (r) "License" means only a millionaire party or supplier license that is issued by the executive director.
- (s) "Licensee" means a qualified organization issued a license to conduct millionaire party or an organization or persons licensed under sections 4a(2) or 4a(3) of the act. Licensee also means a supplier licensed under the act.
- (t) "Location Owner" means the owner, and the owner's agents, who own the building, enclosure, part of a building or enclosure, or a distinct portion of real estate that is used for the purpose of conducting events licensed under this act.
- (u) "Millionaire party equipment" means any authorized item used to conduct authorized games at a millionaire party.
- (v) "Occasion" means the hours of the day for which a license is issued.
- (w) "Privately held corporation" means a corporation that does not trade its stock in a stock exchange or in over-the-counter transactions.
- (x) "Probation" means a license status requiring strict compliance with the act, these rules, directives, public policy of the state of Michigan, and specific conditions as established by the executive director.
- (y) "Probation violation" means failure to abide by any of the terms of probation.
- (z) "Probationary period" means the time interval of probation.
- (aa) "Terms of probation" means the conditions established at the discretion of the executive director that shall be complied with during the probationary period.
- (bb) "Violation notice" means a document issued by the executive director, at its discretion, to a licensee charging a violation of the act, these rules, terms of probation, directives, public policy of the state of Michigan, or any other local, state, or federal law or regulation.
- (cc) "Week" means a period of 7 days beginning with Sunday and ending with Saturday.
- (dd) "Worker" means a person who assists or participates in the management, conduct, or operation of a millionaire party. At a licensed millionaire party event, a person employed by or an agent of a lessor, location owner, or licensed supplier is not considered a worker.
- (2) A term defined in the act has the same meaning when used in these rules.

R 432.102 Principal officer responsibilities.

Rule 102. The principal officer of a qualified organization shall be responsible for all of the following:

- (a) Ensuring that there is full accountability for all gaming assets including, but not limited to, cash, prizes, millionaire party chips or imitation money, and all funds derived from the millionaire party.

- (b) Ensuring that the millionaire party is conducted in accordance with the act, these rules, terms of probation, and directives.
- (c) Ensuring that all records related to the millionaire party are current and accurate.
- (d) Reviewing all reports and correspondence from the executive director.
- (e) Signing and ensuring that financial statements from the millionaire party are submitted to the executive director as prescribed by R 432.322.
- (f) Responding in writing to violation notices as prescribed by R 432.107(2).
- (g) Ensuring that all workers are qualified to work the millionaire party.

R 432.103 Compliance with other laws, regulations, and ordinances.

Rule 103. A licensee shall comply with public policy of the state of Michigan and any other local, state, or federal law or regulation.

R 432.104 Permanent dissolution; utilization of assets; report.

Rule 104. Upon permanent dissolution of a qualified organization, all assets, real property, and personal property shall be utilized for the lawful purposes as stated in the qualified organization's bylaws, constitution, charter, or articles of incorporation that are filed with the executive director as prescribed by R 432.201 and shall not be distributed to any private individual or shareholder. All remaining assets upon dissolution shall be distributed to the local government or another nonprofit organization as stated in the qualified organization's bylaws, constitution, charter, or articles of incorporation. The disbursement of remaining assets shall be reported to the executive director in writing.

R 432.105 Financial Checking Account.

Rule 105. Every qualified organization shall maintain a separate checking account which shall be under its exclusive control. The organization shall only deposit its millionaire party profits in the account and shall only make expenditures described in R 432.106 from the account.

R 432.106 Restricted use of profits.

Rule 106. Profits from the millionaire party shall not be used for the benefit of any individual, member, or shareholder of the qualified organization except to directly further the lawful purposes of the qualified organization.

R 432.107 Violation notice.

Rule 107. (1) The executive director, at its discretion, may issue a violation notice to a licensee for failure to maintain compliance with the act, these rules, terms of probation, directives, public policy of the state of Michigan, or any other local, state, or federal law or regulation.

(2) The licensee shall respond to the violation notice in writing within the time period specified in the notice and shall inform the executive director what action has been taken to correct the violation cited. The response shall be signed by the principal officer of the qualified organization or the owner or top officer of the licensed supplier cited for the violation.

(3) The executive director, at its discretion, may initiate further administrative action if a response to the notice is not received or the response does not resolve the violation.

R 432.108 Informal meeting.

Rule 108. (1) The executive director, at its discretion, may require the principal officer of the qualified organization or the owner or top officer of the licensed supplier, to attend an informal meeting to discuss violations of the act, these rules, terms of probation, directives, public policy of the state of Michigan, or any other local, state, or federal law or regulation. The purpose of this meeting shall be to assist the licensee in achieving compliance with the act, these rules, terms of probation, directives, public policy of the state of Michigan, or any other local, state, or federal law or regulation.

(2) A licensee may agree to be placed on probation as a result of the meeting described in subrule (1) of this rule.

(3) The meeting described in subrule (1) of this rule is held to forestall the need to take further action, up to and including the conduct of a contested case hearing.

(4) The meeting described in subrule (1) of this rule is not required if in the opinion of the executive director the violations of the act, these rules, terms of probation, directives, public policy of the state of Michigan, or any other local, state, or federal law or regulation warrants action prescribed by R 432.110 to R 432.112.

R 432.109 Probation.

Rule 109. (1) The executive director may place a licensee on probation or may condition the renewal of a license with terms of probation when the licensee has violated the act, these rules, terms of probation, directives, public policy of the state of Michigan, or any other local, state, or federal law or regulation.

(2) The continuation of the probationary license is conditioned upon the strict compliance with the act, these rules, terms of probation, directives, public policy of the state of Michigan, or any other local, state, or federal law or regulation.

(3) It is a probation violation if the licensee fails to comply with the act, these rules, terms of probation, directives, public policy of the state of Michigan, or any other local, state, or federal law or regulation.

(4) The executive director may summarily suspend a probationary license if the licensee violates the act, these rules, terms of probation, directives, public policy of the state of Michigan, or any other local, state, or federal law or regulation as prescribed by R 432.112.

R 432.110 License denial.

Rule 110. (1) If the executive director determines that an applicant, who does not hold a license for which the applicant is applying, is not in compliance with the act, these rules, terms of probation for another license, directives, public policy of the state of Michigan, or any other local, state, or federal law or regulation, then the executive director may refuse to issue a license to the applicant.

(2) The submission of a check in payment of a fee that is not paid by the financial institution on which it is drawn shall be grounds for immediate denial of an application for a license.

(3) The executive director may refuse to issue a license to a qualified organization to conduct a millionaire party if the executive director determines that a location owner or lessor of a location to be used for the conduct of a millionaire party is not in compliance with the requirements of the act, these rules, terms of probation, directives, public policy of the state of Michigan, or any other local, state, or federal law or regulation.

(4) A denial under this rule may be appealed under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

R 432.111 Suspension or revocation of a license; refusal to renew a license.

Rule 111. (1) If the executive director determines that a licensee, location owner, or lessor is not in compliance with the requirements of the act, these rules, terms of probation, directives, public policy of the state of Michigan, or any other local, state, or federal law or regulation, then the executive director may suspend or revoke, refuse to renew, or suspend the right to obtain a license of a qualified organization or supplier.

(2) The executive director may suspend or revoke a license, refuse to renew a license, or suspend the right to obtain a license in accordance with the administrative procedures act for any of the following reasons:

(a) Failure to ensure full accountability for all gaming assets including, but not limited to, cash, prizes, millionaire party chips or imitation money, and all funds derived from the millionaire party.

(b) The lack of honesty and integrity of the licensee, location owner, or lessor.

(c) The lack of veracity and accuracy concerning the information submitted on the application.

(d) The indebtedness of the licensee, location owner, or lessor to the federal, state, or local government.

(e) A pending lawsuit or bankruptcy proceeding that involves the licensee, location owner, or lessor and is related to the millionaire party.

(f) The current or past history of compliance of the licensee, location owner, lessor or any of their agents, or owners, shareholders of the privately held corporation, partners, officers, or agent of the licensee with the act, these rules, terms of probation, directives, public policy of the state of Michigan, or any other local, state, or federal law or regulation.

(g) Evidence that the licensee, location owner, or lessor possesses illegal gambling equipment, that illegal gambling equipment is on any of their premises or that illegal gambling has occurred at any of their premises.

(h) The submission of a check in payment of a fee that is not paid by the financial institution on which it is drawn.

(i) Hindering or obstructing an authorized representative of the executive director in the performance of official duties.

(j) The use or submission of false or misleading information by any of the following means:

(i) An application for a license or renewal of a license.

(ii) Any document that is submitted to the executive director.

(iii) All records completed in conjunction with the millionaire party.

(iv) Verbal statements to an authorized representative of the executive director by any owner, shareholder of the privately held corporation, partner, officer, or agent of the licensee, location owner, or lessor.

(k) Failure to submit complete and accurate financial statements.

(l) Failure or refusal to provide an authorized representative of the executive director access to the location.

(m) Failure to promptly produce any book, record, or document as required by the act, these rules, terms of probation, or directives for review by an authorized representative of the executive director.

(n) Allowing any person who has been convicted of, becomes convicted of, has forfeited bond upon a charge of, or has pled guilty to any of the offenses in R 432. 204(f) to work in the operation or management of a millionaire party or to be an officer or agent of the qualified organization.

(o) Allowing any person who has been convicted of, becomes convicted of, has forfeited bond upon a charge of, or has pled guilty to any of the offenses in R 432. 204(f) to work in the operation or management of a licensed supplier, location, or lessor, or to be an owner, shareholder of the privately held corporation, partner, officer, or agent of the licensed supplier, location, or lessor.

(p) Failure to continuously operate as a qualified organization as defined by the act and as represented to the executive director by means of the information submitted to the executive director as required by R 432.201, or failure to continuously operate as an organization or persons issued a license under sections 4a(2) or 4a(3) of the act.

(q) For activities similar to those enumerated which, at the discretion of the executive director, merit enforcement action.

(3) If a license is suspended, then the executive director may determine that the licensee is ineligible to conduct any millionaire party during the period of suspension.

R 432.112 Summary suspension proceedings.

Rule 112. (1) To advance the public policy of prohibition against all gambling activities not conducted in strict conformance with expressed legislative exceptions, including the regulatory framework established by the act, the executive director may summarily order the suspension of a license as provided by section 16(1) of the act and in accordance with section 92 of the administrative procedures act, upon a determination that any 1 or more of the following circumstances exist:

(a) The licensee has obtained the license by fraud, misrepresentation, or concealment.

(b) The decision to issue the license was a product of a material mistake of law or fact.

(c) The licensee, location owner, or lessor has engaged in an act, practice, or course of conduct that would operate as a fraud or deceit on a person or persons, or has employed a device, scheme, or artifice to defraud a person or persons.

(d) The licensee, location owner, or lessor has repeatedly violated, or repeatedly failed or refused to comply with, any of the provisions, requirements, limitations, or duties imposed by the act, these rules, terms of probation, directives, public policy of the state of Michigan, or any other local, state, or federal law or regulation.

(e) The licensee, location owner, lessor, or any owner, shareholder of the privately held corporation, partner, officer, or agent of the licensee, location owner or lessor, has been charged with or convicted of a

violation of the act.

(f) The licensee, location owner, or lessor has or there is reasonable cause to believe the licensee, location owner, or lessor engaged in illegal gambling, or a fraud or larceny offense.

(g) That the immediate cessation of the millionaire party by the licensee is necessary for the protection or preservation of the welfare of the community within which these activities are being conducted, or for the protection or preservation of public policy of the state of Michigan, or any other local, state, or federal law or regulation respecting unlawful gaming activity.

(2) If the executive director summarily suspends a license, then the licensee shall be afforded a prompt hearing before the executive director on the question forming the basis of the suspension of the license.

R 432.113 Compliance meeting.

Rule 113. (1) A compliance meeting notice shall be issued in accordance with section 92 of the administrative procedures act. The compliance meeting allows the licensee to show compliance before the conduct of a contested case hearing.

(2) If compliance is shown or an agreement regarding future action is reached at this meeting, then the need for a contested case hearing may be negated.

R 432.114 Contested case hearing.

Rule 114. (1) A contested case hearing notice shall be issued in accordance with section 71 of the administrative procedures act.

(2) The executive director may establish procedures for the conduct of contested case hearings, including the submission of evidence by written interrogatory, deposition, request for admissions, or by such other means established by the hearing officer.

(3) There shall be no discovery other than that allowed by the administrative procedures act.

(4) When an appearance is made at a contested case hearing, it shall be made in person by the principal officer of the qualified organization; the owner, principal shareholder of the privately held corporation, partner, or top officer of the licensed supplier; or by counsel.

(5) The person or persons who have been served with a contested case hearing notice may file a written answer before the date set for the contested case hearing or may appear at the contested case hearing and present an oral statement on the charges contained in the contested case hearing notice. If written briefs or arguments are presented, then a copy shall be served upon the hearing officer at least 5 days before the date set for the contested case hearing.

(6) If the person or persons who have been previously served with a contested case hearing notice fail to appear at the contested case hearing, then the hearing officer may proceed with the contested case hearing and may, on the evidence presented, make a decision.

(7) A contested case hearing shall not be adjourned or continued except by the hearing officer. All motions and requests for an adjournment or a continuance shall be in writing. The motion or request shall state concisely the reasons why the requested relief is necessary.

(8) The parties to any contested case hearing may, by stipulation in writing filed with the hearing officer, agree upon the facts or any portion of the facts involved in the controversy. The stipulation shall be regarded and used as evidence in the contested case hearing. Parties are requested to agree upon the facts when practicable.

PART 2. GAMING LICENSING

R 432.201 Qualification requirements.

Rule 201. (1) Each applicant applying for a millionaire party license who has not previously qualified shall first submit qualification information as required by the executive director.

(2) Except as provided in the act, each applicant shall provide proof that its bylaws, constitution, articles of incorporation, or the bylaws or constitution of its parent organization include a statement of dissolution. The statement of dissolution shall state that all assets of the qualifying organization remaining upon dissolution, after satisfying its debts, be distributed to the local government or another nonprofit

organization.

(3) The executive director, at its discretion, may require a previously qualified organization to submit updated qualification information to assure the organization's continued eligibility under the act.

(4) In addition to the requirements of the act, the executive director shall consider certain factors when determining if an applicant or licensee qualifies as a "branch," "lodge," or "chapter." These include, but are not limited to, the following:

(a) Charter or similar document issued by the national or state organization upon acceptance as a branch, lodge, or chapter.

(b) Conditions established by the national or state organization for the revocation or suspension of the charter or relationship.

(c) Dues or financial support submitted to the national or state organization by the branch, lodge, or chapter.

(d) Degree of control exerted by the national or state organization over the activities of the branch, lodge, or chapter.

(e) Oversight and control provided by the national or state organization over the financial affairs of the branch, lodge, or chapter, including the audit of financial records of the branch, lodge, or chapter.

(f) Standard bylaws adopted by the branch, lodge, or chapter or bylaws submitted to the national or state organization for approval.

(g) Appointed or elected officers of the branch, lodge, or chapter who are responsible for the activities of the branch, lodge, or chapter.

(h) Ability of the branch, lodge, or chapter to influence activities (normally demonstrated by voting privileges) at the state or national level.

R 432.202 Minimum Age.

Rule 202. The principal officer of a qualified organization submitting an application shall be 18 years of age or older.

R 432.203 Applications.

Rule 203. (1) A qualified organization, unless ineligible under the act, shall be eligible to apply for a millionaire party license.

(2) A qualified organization shall submit an application for a millionaire party license on a form provided by or approved in writing by the executive director.

(3) In addition to the millionaire party license application, the applicant shall submit additional information as directed by the executive director.

(4) The millionaire party license application shall be accompanied by the appropriate fee.

(5) If a millionaire party license application is cancelled or denied, then the executive director may retain a portion of the original statutory fee submitted to cover processing costs.

(6) An applicant shall disclose to the executive director whether any individual, officer, or agent of the applicant has ever been convicted or becomes convicted of, or forfeited bond upon a charge of, or pled guilty to any of the following offenses:

(a) A felony.

(b) A gambling offense.

(c) Criminal fraud.

(d) Forgery.

(e) Larceny.

(f) Filing a false report with a governmental agency.

(7) Any changes to the information provided on or attached to the millionaire party license application shall be immediately reported to the executive director in writing.

R 432.204 Additional eligibility factors.

Rule 204. In addition to the requirements of the act, the executive director shall consider the following factors when reviewing a millionaire party license application or renewal application:

(a) The honesty and integrity of the applicant.

- (b) The veracity and accuracy of any information supplied to the executive director by the applicant.
- (c) The applicant's indebtedness to local, state, or federal government.
- (d) A pending lawsuit or bankruptcy proceeding involving the applicant.
- (e) The applicant's current or past history of compliance with the act, these rules, terms of probation, directives, public policy of the state of Michigan, or any other local, state, or federal law or regulation.
- (f) Criminal convictions of the applicant or any individual, officer, or agent of the applicant for any of the following offenses:
 - (i) A violation of the act.
 - (ii) A felony.
 - (iii) A gambling offense.
 - (iv) Criminal fraud.
 - (v) Forgery.
 - (vi) Larceny.
 - (vii) Filing a false report with a governmental agency.
- (g) Any other information considered advisable by the executive director.

R 432.205 Millionaire party license terms and conditions.

Rule 205. (1) Upon the issuance of a millionaire party license, the qualified organization agrees to all of the following terms and conditions:

- (a) To be bound by and comply with the act, these rules, terms of probation, directives, public policy of the state of Michigan, and any other local, state, and federal laws and regulations.
 - (b) To not assign or transfer the millionaire party license.
 - (c) To maintain current and accurate records of all operations in conjunction with millionaire parties in conformity with the act, these rules, terms of probation, and directives.
 - (d) To conduct the millionaire party in accordance with the information submitted on the application approved by the executive director.
 - (e) To conduct the millionaire party only on the day, days of the week, date, dates, time, and at the specific location within Michigan that is stated on the license.
 - (f) To immediately report to the executive director in writing any change in the information stated on or attached to the millionaire party license application.
 - (g) To hold the executive director and the state harmless from any liability, including, but not limited to, taxes and legal expenses.
- (2) A person shall not refuse to cooperate with, hinder, or obstruct in any way, an authorized representative of the executive director while the representative is in the performance of official duties.

R 432.206 Changes to qualification information.

Rule 206. (1) A qualified organization shall immediately report to the executive director in writing any change to the organization's qualification documentation.

- (2) A qualified organization shall immediately submit a copy of the appropriate amended document to the executive director if there is a change in any of the following:
- (a) Constitution.
 - (b) Bylaws.
 - (c) Articles of incorporation.
 - (d) Any other qualification document previously submitted to the executive director.
 - (e) Internal Revenue Service tax-exempt status.

R 432.207 Request for millionaire party license changes; cancellations.

Rule 207. (1) To change the location, day, date, dates, or time of a millionaire party, a qualified organization shall submit a request to the executive director in writing not less than 20 days before the proposed change takes effect.

- (2) If a millionaire party cannot be held on the date approved by the executive director, because of inclement weather or other emergency conditions, then the qualified organization may submit a request to the executive director in writing for a new millionaire party date. The qualified organization must

also notify the executive director immediately upon event cancellation.

(3) If the qualified organization chooses to cancel a millionaire party, it must give the executive director written notice of the cancellation at least 10 days before the scheduled date of the event.

PART 3. MILLIONAIRE PARTY

R 432.301 Licensing requirements.

Rule 301. (1) A qualified organization applying for a millionaire party license shall meet the requirements of R 432.203.

(2) The executive director shall not consider an organization's application for a millionaire party license unless the organization demonstrates that it raised at least \$2000 in the previous calendar year through fundraising activities other than charitable gaming provided for in this act. The money may not be raised by or received from a location owner, lessor, or supplier or any of their agents. Satisfying this requirement does not entitle the organization to a millionaire party license.

(3) An organization applying for a license shall include with its application a description of the proposed location, the specific area of that location in which gaming will be conducted, and a description how that area will be demarcated. A demarcated area must be inspected and approved by the executive director before issuance of millionaire party event licenses.

R 432.302 Licensing and approval.

Rule 302. (1) An application for a license under this act and these rules is a request by the applicant for the discretionary license. The license is a revocable privilege and is not a property right. No person including a qualified organization, supplier, lessor, or location owner shall have any expectation the executive director will issue a license.

(2) The executive director shall not authorize more than one millionaire party event to occur at any location per day.

(3) The executive director shall not authorize more than 30 days of millionaire party events to occur at a location in a calendar year.

(4) The executive director may set a maximum number of licenses that will be issued to qualified organizations and may set a maximum number of days that a millionaire party license may be issued.

(5) The executive director may stop issuing licenses at any time or for any reason.

R 432.303 Principal officer responsibilities.

Rule 303. The principal officer of the qualified organization shall be responsible for all of the following:

(a) Ensuring the qualified organization's full accountability for all gaming assets including, but not limited to, cash, prizes, imitation money or chips, and all funds derived from the millionaire party.

(b) Ensuring the millionaire party is conducted in accordance with the act, these rules, terms of probation, directives, public policy of the state of Michigan and any other local, state, and federal laws or regulations.

(c) Ensuring that all records related to the millionaire party are current and accurate.

(d) Reviewing all reports and correspondence from the executive director.

(e) Signing and ensuring that the financial statement from the millionaire party is submitted to the executive director as prescribed by R 432.322.

(f) Responding in writing to violation notices as prescribed by R 432.107(2).

(g) Ensuring that all workers are qualified to work the millionaire party.

R 432.304 Millionaire party chairperson; qualifications and duties.

Rule 304. (1) The officers of the qualified organization shall designate at least 1 chairperson to be in charge of and responsible for ensuring the millionaire party is conducted in accordance with the act, these rules, terms of probation, directives, public policy of the state of Michigan, and any other local, state, and federal laws.

(2) The chairperson is a worker who shall be a bona fide member of the qualified organization for at least 6 months.

(3) The chairperson shall be listed on the license application.

(4) The chairperson shall be familiar with the act, these rules, terms of probation, and directives.

(5) The chairperson shall be present on the premises continuously during the occasion.

(6) The chairperson shall be readily identifiable to all millionaire party attendees by wearing a name badge with the word "Chairperson" followed by the name of the licensee and the chairperson's name.

(7) The chairperson shall be in full charge of the millionaire party, supervise and direct all workers, and be responsible for assuring the proper receipting, recording, and depositing of all money derived from the conduct of the millionaire party.

(8) The chairperson shall attempt to resolve in accordance with the act, these rules, and directives, any disputes that may occur during the conduct of the millionaire party.

(9) Any change in the chairperson or persons who are listed on the millionaire party license application shall be immediately submitted to the executive director in writing. The notification shall be signed by the principal officer of the qualified organization.

R 432.305 Minimum age.

Rule 305. (1) Persons under 18 years of age shall not be permitted to participate in the millionaire party as players and shall not be permitted to operate millionaire party games or assist in the conduct of the millionaire party.

(2) Persons under 18 years of age shall not be permitted to play with, operate, handle, collect, or distribute any kind of millionaire party equipment.

(3) Persons under 18 years of age shall not be permitted to sell or purchase raffle tickets, charity game tickets, or numeral game tickets.

(4) Persons under 18 years of age shall not be permitted in the demarcated area of a millionaire party when gaming is being conducted.

(5) Persons permitted to make a wager or play games, or operate, handle, collect, or distribute any kind of millionaire party equipment must be identified by wearing an identifying item such as a wristband or qualified organization logo as being 18 years of age or older.

(6) At events where alcoholic beverages are served, persons in the demarcated area must be identified by wearing an identifying item, such as a wristband or qualified organization logo, as being 21 years of age or older.

R 432.306 Raffles, charity game tickets, and numeral game tickets.

Rule 306. (1) Raffles held in conjunction with a millionaire party license shall be conducted as prescribed by the Charitable Gaming Rules.

(2) Charity game tickets may be sold at a millionaire party as prescribed by the Charitable Gaming Rules.

(3) Numeral game tickets may be sold at a millionaire party as prescribed by the Charitable Gaming Rules.

R 432.307 Equipment.

Rule 307. (1) Only authorized equipment may be used at a millionaire party.

(2) Authorized equipment used in the conduct of millionaire parties shall be maintained in good repair and sound working condition.

(3) The utilization of equipment and methods of play shall be such that each player is afforded an equal opportunity to win.

(4) The licensee may not obtain millionaire party equipment from the location owner and the lessor.

R 432.308 Rules of the game.

Rule 308. The executive director shall approve each game and the rules of each game that may be played at a millionaire party. The executive director shall set the rules of the game to include but not limited to method

of play, odds, types of wagers, bet limits, and pools. The executive director may withdraw approval of a game or change the rules of the game at the executive director's discretion.

R 432.309 Imitation money and chips.

Rule 309. (1) During the conduct of a millionaire party, only imitation money or chips shall be used by the participants. Imitation money or chips shall be used solely for wagering or redemption purposes.

(2) Imitation money or chips shall not be used for tipping or the purchase of food, beverages, raffle tickets, charity game tickets, numeral game tickets, or non-gaming items.

(3) Imitation money or chips shall only be sold by the qualified organization.

(4) Imitation money or chips shall not be sold by dealers or at individual gaming tables.

(5) Imitation money or chips shall only be redeemed at authorized redemption areas.

(6) Only imitation money and chips that have received the executive director's prior approval may be used at a millionaire party.

(7) The executive director may set the maximum amount of chips or imitation money that a qualified organization may sell to an individual at a millionaire party.

(8) No more than \$15,000 in imitation money or chips may be wagered at a millionaire party.

(9) No more than \$15,000 in imitation money or chips shall be permitted in a demarcated area.

R 432.310 Millionaire party conduct.

Rule 310. (1) A millionaire party licensee may conduct only those games approved by the executive director. All games shall be conducted pursuant to the rules set by the executive director.

(2) The qualified organization must perform the duties concerning the millionaire party as directed by the executive director.

(3) Millionaire parties must only be conducted during the hours stated on the license.

(4) The millionaire party license shall be on site and posted in a conspicuous place during the millionaire party occasion.

(5) A copy of the current license application and any changes shall be on site and available for review.

(6) At least five bona fide members of the qualified organization shall staff the millionaire party at all times; this does not include bona fide members of the qualified organization who are dealers. One of those five members shall be the millionaire party chairperson.

(7) If for any reason the number of bona fide members described in subrule (6) drops below five, the qualified organization must report this to the executive director immediately and may be required to cease conducting the licensed millionaire party.

(8) A qualified organization shall provide the names of its bona fide members who will be participating in the millionaire party to the executive director with its license application.

(9) All bona fide members of the qualified organization shall wear vests, buttons, or other distinctive apparel in order to define them as members of the qualified organization and not employees or agents of the location or licensed supplier.

(10) Unless permitted by the act, these rules, or by written authorization of the executive director, only bona fide members of the qualified organization holding the millionaire party license may perform any of the following duties:

(a) Counting, distributing, handling, selling, or redeeming chips.

(b) Receiving, handling, or counting cash.

(c) Collecting the house rake.

(d) Paying out cash prizes.

(e) Completing the millionaire party game records and financial statement.

(f) Ensuring only authorized persons are present in the demarcated area.

(g) Monitoring the games and verifying all games have been conducted in conformance with the rules of the game;

(h) Verifying age of the players;

(i) Any other duty authorized by the executive director

(11) A bona fide member of the qualified organization may not play millionaire party games at an event where he or she is working or assisting.

(12) A bona fide member of the qualified organization shall not share in a prize, or purchase, play, or accept

charity game tickets or numeral game tickets offered for sale by the licensee at any time during the day he or she is working or assisting.

(13) A bona fide member of the qualified organization shall not split a prize with a player or accept tips of any kind.

(14) Except for disputed prizes, all winners shall be determined and all prizes shall be awarded within the hours stated on the license.

(15) All winners of raffle prizes shall be determined and all prizes awarded as prescribed by the Charitable Gaming Rules.

(16) A wager shall not be placed on an athletic event.

(17) A wager shall not be placed on a game, contest, or activity other than an approved game taking place at the location within the hours stated on the license.

(18) A location owner or lessor, a shareholder of a privately held corporate owned or leased location, partner, officer, agent, or employee of a location owner or lessor, or a person residing in the same household as a location owner or lessor, shareholder of a privately held corporate owned or leased location, partner, officer, agent, or employee of a location owner or lessor shall not do any of the following:

(a) Be an officer of a qualified organization conducting a millionaire party at the location in which he or she owns, leases, represents, or works.

(b) Participate as a player in any gaming event being conducted under the millionaire party license at the location in which he or she owns, leases, represents, or works.

(c) Share in a prize, purchase, play, or accept charity game tickets or numeral game tickets offered for sale by the licensee at any time during the day he or she is working or assisting.

(d) Split a prize with a player.

(e) Receive any compensation, food, or beverage as prescribed by R 432.317.

(f) Participate in any aspect of a millionaire party event including but not limited to providing dealers, equipment or workers.

(g) This subsection does not apply to a qualified organization when all of the following are true:

(i) The qualified organization is using a location it owns, or rents or leases on a continual basis for the regular use of its members.

(ii) The qualified organization is using that location to conduct its own licensed millionaire party events.

(iii) No more than 16 millionaire party events are held at this location per year.

R 432.311 Hours of operation.

Rule 311. The executive director shall set the permissible hours during which millionaire parties may be conducted. A millionaire party shall not begin before 8 a.m. or continue after midnight.

R 432.312 Limitation on redemptions.

Rule 312. A licensee must not redeem imitation money or chips having a total value exceeding the amount sold by the millionaire party licensee for that day. A millionaire party licensee may not redeem imitation money or chips in an amount exceeding the limitations as prescribed by the act. This limitation does not include the value of prizes won through raffles, charity game tickets, or numeral games.

R 432.313 Worker compensation.

Rule 313. (1) A qualified organization may not compensate a worker, except that it may give a worker all of the following:

(a) Credit for tuition, dues, or similar item of value approved by the executive director.

(b) Food and beverages to consume while working.

(2) The names of the workers and any compensation the workers have received pursuant to subrule (1) must be recorded on the workers service record for each day of the millionaire party or as directed in writing by the executive director.

(3) All compensation shall be reported on the financial statement as prescribed by R 432.321.

R 432.314 Dealers.

Rule 314. (1) A qualified organization shall be responsible for the actions of the dealers including compliance with the act, these rules, directives, and any other local, state, and federal laws and regulations.

(2) A qualified organization may have bona fide members of the qualified organization serve as dealers at a millionaire party or it may hire dealers. A dealer may not be an employee of the location owner or lessor, unless that person is a bona-fide member of the qualified organization and is dealing during an event at that organization's location.

(3) A qualified organization applying for a license shall include with its application a list of the dealers who will work at the proposed event. The qualified organization must provide information to show the dealers have never been convicted of, or forfeited bond upon a charge of, or pled guilty to any of the following offenses:

- (a) A felony.
- (b) A gambling offense.
- (c) Criminal fraud.
- (d) Forgery.
- (e) Larceny.
- (f) Filing a false report with a governmental agency.

(4) Only those persons authorized by the executive director may serve as a dealer at the licensed millionaire party event.

R 432.315 Game records; retention.

Rule 315. (1) Game records pertaining to the millionaire party shall be completed and maintained in a current and accurate manner in accordance with the act, these rules, terms of probation, and directives. A licensee may be required to complete game records on forms prescribed by the executive director.

(2) Game records shall include a copy of the current license application and any changes.

(3) Game records and all documents supporting entries made in the records shall be available and on site at the occasion and at other times to authorized representatives of the executive director for review.

(4) Game records and all documents and supporting entries made in the records shall be accessed, entered, amended, stored, and submitted by the qualified organization only.

(5) Game records and all documents supporting entries made in the records shall be kept for at least the current calendar year plus 3 years or as directed in writing by the executive director.

(6) An invoice showing the cost per item for all millionaire party equipment shall be available and on site at the occasion to authorized representatives of the executive director for review.

(7) Game records and all documents supporting entries made in the records may be removed by authorized representatives of the executive director for review.

(8) Game records may be maintained using a computer if they can not be remotely accessed and are maintained in accordance with directives.

R 432.316 Accountability; lawful use of proceeds; reasonable expenditures; deposit of proceeds.

Rule 316. (1) The licensee shall be accountable for all cash, prizes, imitation money or chips, raffle tickets, charity game tickets, and numeral game tickets.

(2) In accordance with the act, the entire net proceeds of the millionaire party shall be devoted exclusively to the lawful purposes of the qualified organization.

(3) To ensure that all proceeds are used for the lawful purposes of the qualified organization, all financial accounts into which proceeds from the millionaire party are deposited or transferred shall be open for review by authorized representatives of the executive director.

(4) Each expense that the millionaire party licensee pays concerning the millionaire party must be in compliance with the following:

- (a) Incurred in connection with the conduct of the millionaire party.
- (b) Necessary and reasonable.
- (c) Itemized and in a fixed dollar amount that is not dependent on the revenue or profit from a millionaire party.

(d) Approved by the executive director in writing before the licensed millionaire party. The executive director may disapprove an expenditure for any reason.

(5) The qualified organization shall not make any payment, nor shall it agree to make any payment, to any person in any amount in connection with the millionaire party unless the expenditure was pre-approved pursuant to subrule (4).

(6) The qualified organization may pay a licensed supplier a reasonable hourly fee or a daily flat fee for the services of each dealer as approved by the executive director.

(7) A qualified organization shall not pay and a person, including a licensed supplier shall not accept any compensation other than that covered by this section in connection with a millionaire party unless expressly authorized by the act.

(8) Each check written from financial accounts into which proceeds from the millionaire party are deposited or transferred shall meet all of the following requirements:

(a) Each check shall be preprinted with the name of the licensee.

(b) The check shall be signed by an authorized person or persons.

(c) The check shall be made payable to a specific person, business, partnership, corporation, or account.

(d) A check shall not be made payable to cash or bearer and shall not be drawn in blank.

(e) The check shall contain a brief description of the expense on the memo line.

(9) Electronic transfers of funds derived from the conduct of the millionaire party shall be done in accordance with directives.

(10) Cancelled checks written from financial accounts into which proceeds from the millionaire party are deposited or transferred shall be returned on a monthly basis to the account holder. Copies of the checks are acceptable, if legible, and if originals can be made available upon request by the executive director.

(11) All monies derived from the conduct of the millionaire party shall be deposited into the licensee's financial account within 2 business days of the millionaire party or as directed in writing by the executive director.

(12) Checks shall not be cashed out of the millionaire party start cash or gross revenue.

R 432.317 Rent and rental location agreement.

Rule 317. (1) A location shall not be rented for a millionaire party unless all of the terms and conditions of rental, including the fee, are in a written agreement approved by the executive director.

(2) Other than for the diminimus cost of food and drink permitted by Rule 432.313, the only payment a qualified organization may make to a location owner or lessor is a payment for the demarcated area of the establishment. The amount shall not exceed fair market value for such rent and in no circumstance shall such rent exceed \$250 per day. For purposes of this subrule, the executive director shall consider any food and drink sales that the qualified organization generates for the location in setting the rent.

(3) Under no circumstance shall a qualified organization pay a location owner or a lessor in connection to a millionaire party any amount other than the reasonable rental fee approved by the executive director or diminimus cost for food and beverage as permitted by rule 432.313.

(4) A location owner or lessor shall not make any payments to, or accept any payments from, a supplier for anything directly or indirectly related to a millionaire party.

(5) A location owner or lessor shall not make the lease or rental of its demarcated area dependent upon the use of a particular supplier or particular dealers and shall not vary the rental or lease fee that it charges based on an organization's use of a particular supplier or particular dealers.

R 432.318 Proximity

Rule 318. A qualified organization must conduct a millionaire party at a location within the same or adjacent county of the qualified organization.

R 432.319 Security.

Rule 319. (1) The qualified organization shall ensure access to the demarcated area is controlled.

(2) The qualified organization may hire security officers. Any security services the location provides will be included in the rental fee as approved by the executive director.

R 432.320 Advertising.

Rule 320. (1) Expenditures by the millionaire party licensee for advertising the millionaire party shall be necessary and reasonable.

(2) A licensee may advertise a millionaire party using current and accurate information. The advertising shall include all of the following:

- (a) Name of the licensee.
- (b) License number.
- (c) Purpose for which the net proceeds will be used.
- (3) Advertising shall cease once the millionaire party license has expired.
- (4) Advertising via the internet, printed matter, signs, or billboards shall be in the following format:
 - (a) Information in subrule (2) shall appear in the top half of the advertisement.
 - (b) Excluding location name, information in subrule (2) shall be prominently displayed in the same size font, or larger, as the largest font of any other information contained in the advertisement.
 - (5) Information in subrule (2) shall be continuously visible and readable in television advertising.
 - (6) The lessor, location owner, or licensee shall not advertise the dates or times the location is open for the purpose of conducting a millionaire party or the games that will be played at that location unless all the information required in subrule (2) is contained in the advertising.
 - (7) The following items are not considered advertising:
 - (a) A message on an answering machine or voicemail by the lessor, location owner, or licensee at a location where a millionaire party is going to occur.
 - (b) Video, audio, or other means of communication that is broadcast solely within the interior of a location where the millionaire party occurs.
 - (c) Printed matter contained within the interior of a location where a millionaire party occurs and that is intended to be visible only from the interior of the location where the millionaire party is going to occur.
 - (d) An internet webpage that does not mention days, dates, times, specific games played, or program information.
 - (e) A sign located on the property of a location where a millionaire party occurs that does not mention days, dates, times, specific games played, or game program information.

R 432.321 Millionaire party financial records; retention.

Rule 321. All of the following financial records shall be available to authorized representatives of the executive director for review and shall be kept for at least the current calendar year plus 3 years or as directed in writing by the executive director:

- (a) A copy of the financial statement as prescribed by R 432.322.
- (b) Bank validated deposit slips for all proceeds from the millionaire party.
- (c) Bank statements from all financial accounts where proceeds from the millionaire party were deposited or transferred.
- (d) Cancelled checks or copies of checks, as prescribed by R 432.316(8) from all financial accounts where proceeds from the millionaire party were deposited or transferred.
- (e) Invoices or receipts with the date, vendor's name, and a description of the item or service for all expenditures made from financial accounts where proceeds from the millionaire party were deposited or transferred.

R 432.322 Financial statement requirements.

Rule 322. (1) A millionaire party licensee shall submit a financial statement to the executive director on a form, provided by or approved in writing by the executive director, by the tenth day of the month following the month that the millionaire party was held.

(2) The financial statement shall be signed by the principal officer of the qualified organization certifying that the information on the financial statement is true, correct, and complete to the best of his or her knowledge.

PART 4. SUPPLIERS

R 432.401 Supplier license application.

Rule 401. (1) A written application for a supplier license, on a form provided by or approved in writing by the executive director, shall be approved in writing by the executive director before a person sells, leases, or distributes authorized equipment to a licensee.

(2) The supplier license application shall include additional information as directed by the executive director.

(3) The supplier license application shall be accompanied by the appropriate fee.

(4) An applicant shall disclose to the executive director whether any owner, shareholder of the privately held corporation, partner, officer, person residing in the same household as the applicant, or agent of the applicant has ever been convicted or becomes convicted of, or forfeited bond upon a charge of, or pled guilty to any of the following offenses:

- (a) A felony.
- (b) A gambling offense.
- (c) Criminal fraud.
- (d) Forgery.
- (e) Larceny.
- (f) Filing a false report with a governmental agency.

(5) Any changes to the information provided on the supplier license application shall be immediately reported to the executive director in writing.

R 432.402 Additional eligibility factors.

Rule 402. In addition to the requirements of the act, the executive director shall consider the following factors when reviewing a supplier license application or renewal application:

- (a) The honesty and integrity of the applicant.
- (b) The veracity and accuracy of any information supplied to the executive director by the applicant.
- (c) The applicant's indebtedness to local, state, or federal government.
- (d) A pending lawsuit or bankruptcy proceeding involving the applicant or any owner, shareholder of the privately held corporation, partner, or officer of the applicant.
- (e) The current or past history of compliance of the applicant or any owner, shareholder of the privately held corporation, partner, officer, person residing in the same household as the applicant, or agent of the applicant with the act, these rules, terms of probation, directives, public policy of the state of Michigan, or any other local, state, or federal laws or regulations.
- (f) Criminal convictions of the applicant or any owner, shareholder of the privately held corporation, partner, officer, person residing in the same household as the applicant, or agent of the applicant for any of the following offenses:
 - (i) A violation of the act.
 - (ii) A felony.
 - (iii) A gambling offense.
 - (iv) Criminal fraud.
 - (v) Forgery.
 - (vi) Larceny.
 - (vii) Filing a false report with a governmental agency.
- (g) The forfeiture of a bond, if the application includes the right to sell charity game tickets or numeral game tickets.
- (h) The submission of a check in payment of a charity game ticket invoice or numeral game ticket fee that is not paid by the financial institution on which it is drawn.
- (i) The applicant's current or past history of delinquent payments of charity game ticket invoices or numeral game ticket fees.
- (j) Any other information considered advisable by the executive director.

R 432.403 Supplier license expiration; supplier license void on ownership change.

Rule 403. (1) A supplier license shall expire at midnight on September 30 and is renewable annually upon the submission of a renewal application, provided by or approved in writing by the executive director, unless summarily suspended, suspended, denied, or revoked by the executive director.

(2) If the ownership changes or any portion of ownership of the privately held corporation, partnership, or sole proprietorship acting as a licensed supplier changes, except for deletion of owners or changes in percentage of ownership, then the license issued to that privately held corporation, partnership, or sole proprietorship shall be void and returned to the executive director without delay.

R 432.404 Supplier license terms and conditions.

Rule 404. (1) Upon the issuance of a supplier license, the licensed supplier agrees to all of the following terms and conditions:

(a) To be bound by and comply with the act, these rules, terms of probation, directives, public policy of the state of Michigan, and any other local, state, and federal laws and regulations.

(b) To not assign or transfer the supplier license. A privately held - corporation, partnership, or sole proprietorship acting as a licensed supplier shall not attempt to sell or transfer an interest in the business without the prior written approval of the executive director.

(c) To immediately report to the executive director in writing any change in the information stated on or attached to the supplier license application.

(d) To only accept checks from a licensee's account for the payment of equipment or dealers.

(e) To not reveal investigative information to any licensee.

(f) To hold the executive director and the state harmless from any liability, including, but not limited to, taxes and legal expenses.

(2) The location at which the licensed supplier does business, including supplemental storage locations or at which an applicant or licensed supplier intends to do business or store equipment, shall be open to inspection during reasonable business hours by an authorized representative of the executive director.

(3) A person shall not refuse to cooperate with, hinder, or obstruct in any way, an authorized representative of the executive director while the representative is performing official duties.

(4) A licensed supplier shall not require any licensee to enter into an exclusive purchase agreement with that licensed supplier.

(5) A licensed supplier may rent, sell, or lease authorized equipment to qualified organizations for a reasonable fee pursuant to a contract approved by the executive director.

(6) The licensed supplier shall charge a flat daily fee or a multi-day fee for rent or lease of authorized equipment.

(7) A licensed supplier may provide dealers to a qualified organization to deal at a licensed millionaire party.

(8) A licensed supplier shall not make a payment to, or accept a payment from, a location owner or lessor for anything directly or indirectly related to a millionaire party.

(9) Notwithstanding R 432. 314(1), if a licensed supplier provides the dealers, the licensed supplier shall be responsible for the actions of the dealers including compliance with the act, these rules, terms of probation, directives, public policy of the state of Michigan, and any other local, state, and federal laws and regulations.

(10) The executive director may deny, summarily suspend, suspend, revoke, or refuse to renew a supplier license as prescribed by R 432.110 to R 432.112.

(11) A person convicted of a criminal offense under the act or any other gambling offense is ineligible to participate in a supplier license as an owner, shareholder of a privately held corporation, partner, officer, agent, or employee for a period of 5 year after the conviction becomes final.

R 432.405 Equipment; sale and rental.

Rule 405. (1) Only equipment authorized in writing by the executive director and in sound working condition may be sold, leased, or rented to licensees.

(2) All millionaire party equipment and services provided to licensees shall be published in writing with an effective date, on 1 itemized price list in sufficient detail to permit potential customers the ability to easily make price comparisons. A current price list shall be filed with the executive director. All information regarding any change in price, equipment, or services shall be submitted to the executive

director, in writing, not less than 10 days before the effective date.

(3) All millionaire party equipment at a location shall be removed within 2 business days after the millionaire party or as directed in writing by the executive director.

R 432.406 Authorization to purchase and sell charity game tickets and sell approved numeral game tickets.

Rule 406. (1) The issuance of a supplier license does not include the authorization to purchase and sell charity game tickets or sell approved numeral game tickets.

(2) The amount of the performance bond shall be established by the executive director in accordance with the act and the amount required may be modified with a 30-day written notice.

(3) A contract authorizing the purchase and sale of charity game tickets or the sale of approved numeral game tickets may be suspended or terminated with a 30-day written notice without affecting the supplier's right to sell, lease, or distribute authorized equipment.

(4) A denial, termination, or suspension under this subrule may be appealed under 1961 PA 236, MCL 600.631.

R 432.407 Prohibitions.

Rule 407. (1) A licensed supplier or any owner, shareholder of the privately held corporation, partner, officer, person residing in the same household as a licensed supplier, agent, or employee of a licensed supplier shall not be involved with the millionaire party. This subrule shall not apply to the dealers, delivery, repair, and set up of the equipment, the provision of training before the start of the millionaire party, or technical advice during the millionaire party.

(2) A licensed supplier or any owner, shareholder of the privately held corporation, partner, officer, person residing in the same household as a licensed supplier, agent, or employee of a licensed supplier shall not do any of the following:

(a) Be an officer of a qualified organization conducting a millionaire party for which the supplier is providing equipment or services.

(b) Play millionaire party games at the location where he or she works or assists.

(c) Share in a prize, purchase, play, or accept charity game tickets or numeral game tickets offered for sale by the licensee at any time at the location where he or she is working or assisting.

(d) Split a prize with a player.

R 432.408 Invoices for equipment.

Rule 408. (1) A licensed supplier shall record every sale, lease, rental, return, dealer cost, or any other type of transfer of equipment to or from licensees by completing a sales invoice or credit memo.

(2) All invoices for equipment and dealers shall be sequentially numbered and issued in sequential order or as directed in writing by the executive director.

(3) An invoice for equipment and/or dealers supplied to a licensee shall be given to the licensee before the millionaire party.

(4) The invoice shall contain all of the following:

(a) The amount of each sale.

(b) All credits.

(c) All exchanges.

(d) All sales premiums.

(e) All rebates or discounts.

(f) The net amount of each sale.

(g) Any other information as directed in writing by the executive director.

(5) All voided or spoiled invoices for equipment and/or dealers shall be retained.

R 432.409 Supplier records; retention.

Rule 409. (1) The licensed supplier shall maintain current and accurate records of all operations.

(2) The records and all documents supporting entries made in the records shall be available and on site to authorized representatives of the executive director for review.

(3) The records and all documents supporting entries made in the records shall be kept for at least the

current calendar year plus 3 years or as directed in writing by the executive director.

(4) A licensed supplier shall report to the executive director, on a form provided by or approved in writing by the executive director, number of and total paid to the licensed supplier for dealers and the type and total amount of sales and rentals of authorized equipment.

R 432.410 Advertising.

Rule 410. (1) A licensed supplier may not advertise a millionaire party.