

MIKE BEEBE
GOVERNOR

A. HEATH ABSHURE
COMMISSIONER



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201 EAST MARKHAM STREET
LITTLE ROCK, ARKANSAS 72201-1692
TELEPHONE: (501) 324-9260
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ARKANSAS SECURITIES DEPARTMENT

February 17, 2009

Christine A. Memmoli
Licensing Analyst
Global Cash Access
3525 East Post Road, Suite 120
Las Vegas, Nevada 89120

Re: Proposed activities of Global Cash Access, Inc.
No Action No. 09-43314-CS

Dear Ms. Memmoli:

The Arkansas Securities Department ("Department") has received your letter and attachments dated February 4, 2009 (collectively, "Request"), requesting an administrative ruling as to whether the proposed activities of Global Cash Access, Inc. ("GCA") would require GCA to obtain a money transmitter license pursuant to the Arkansas Uniform Money Services Act ("Act"), Ark. Code Ann. §§ 23-55-101 – 1005.

On the basis of the opinions and representations set forth in the Request, the Staff of the Arkansas Securities Department ("Staff") would not recommend enforcement action for violation of the Act, should GCA proceed with the activities described in the Request without an Arkansas money transmitter license. A copy of the Request is attached to this letter to avoid reciting the opinions and representations that you have presented.

Please note that the position of the Staff is based solely upon the opinions and representations stated in the Request and applies only to the activities as described in the Request. Different facts or circumstances might, and often would, require a different response. The Staff only expresses its position as to the recommendation of formal enforcement action by the Department and does not purport to be a legal opinion or formal conclusion.

If there are any questions, please contact the undersigned.

Sincerely,

A handwritten signature in cursive script that reads "Shannon Holloway Underwood".

Shannon Holloway Underwood
Staff Attorney

Attachment

February 4, 2009

Ms. Shannon Underwood
Arkansas Securities Department
Heritage West Building, Suite 300
201 East Markham
Little Rock, AR 72201

RECEIVED
09 FEB -9 AM 7:54
ARKANSAS SECURITIES DEPT.

3525 EAST POST ROAD • SUITE 120
LAS VEGAS, NEVADA 89120
ph 800.833.7110 /x 702.855.3040
www.globalcashaccess.com • NYSE: GCA

Dear Ms. Underwood:

Thank you very much for earlier taking the time to discuss with me whether Global Cash Access, Inc. ("GCA") qualifies as a money transmitter in the State of Arkansas. While I realize we spoke a couple of months ago, we are now writing to formally seek an administrative ruling on this matter.

Specifically, we are requesting an administrative ruling in response to the following question:

Does the completion of a GCA credit card cash advance or point of sale debit card transaction that is completed at either a casino cage or a GCA booth located within a casino premises require GCA to be licensed as a money transmitter?

As background, GCA is engaged in the business of providing cash access services to patrons of casinos and gaming facilities on both tribal and non-tribal lands (each, a "Casino"), including ATM, credit card cash advance and POS debit transactions, and check services. GCA provides its services in over 1,000 casinos in the United States.

In most Casinos in which GCA provides its services, credit card cash advance and point of sale debit transactions (together, "Cash Access Transactions") are completed by the patron at the Casino cage. GCA provides hardware and software to the Casino for use on the Casino floor and within the Casino cage. The Casino cage employees are responsible for facilitating and completing the Cash Access Transactions at the Casino cage.

Currently, in approximately sixty Casinos, instead of the transaction being completed at the Casino cage, GCA operates a "booth" on the Casino floor from which GCA employees complete patron's Cash Access Transactions.

GCA is currently performing Cash Access Transactions as an agent of Integrated Payment Systems, Inc. ("IPS"), a wholly owned subsidiary of First Data Corporation. IPS is licensed as a money transmitter and, where applicable, a check seller. It is important to note that IPS is classified as a money transmitter because of certain additional functions and services it undertakes, which are in addition to GCA's limited services as a payment processor providing

cash access services to the gaming industry. The negotiable instrument – or check – that GCA causes to be printed at the Casino cage or GCA booth, as applicable, are made on IPS check stock and drawn on an IPS account. As a result of GCA's agency relationship with IPS, GCA has not been required to be licensed as a money transmitter in any jurisdiction for the purpose of completing Cash Access Transactions.

First Data Corporation has recently announced that IPS will be discontinuing services during the latter part of 2009. As such, GCA will be performing Cash Access Transactions without reliance on IPS. Accordingly, we are seeking an administrative ruling as to whether, upon termination of the GCA/IPS relationship, GCA's performance of the Cash Access Transactions and the printing of GCA issued negotiable instruments on GCA's own secure check stock drawn on a GCA account requires GCA to obtain a money transmitter license, pursuant to your state's law.

Attached you will find a detailed description of our Cash Access Transaction process, a sample negotiable instrument, and a transaction process flow chart. As described in the attached detailed description, GCA believes that the process flow of our Cash Access Transactions more closely resembles payment processing and settlement rather than money transmission as outlined in FinCEN ruling 2003-8: Definition of a Money Transmitter (Merchant Payment Processor).

As discussed in the attached detailed description, only the negotiable instrument, which is payable to the Casino and not to the patron, is used to reimburse the Casino for the Face amount of the Cash Access Transaction that was extended to the patron from the authorization received from the patron's financial institution.

Your prompt attention to this matter is greatly appreciated, as we realize the time involved to review and grant a license can be lengthy. While we are hopeful that you will agree that GCA is not properly classified as a money transmitter, should your review determine that we are properly classified as a money transmitter, GCA will immediately complete the necessary steps to be in compliance with your State's regulation upon dissolution of the GCA/IPS relationship.

Should you have any questions, please feel free to contact me. I can be reached at 702-692-6027 Monday through Friday, 8:00 am – 5:00 pm (Pacific Time) or via email at cmemmoli@gcamail.com.

Thank you.

Sincerely,



Christine A. Memmoli
Licensing Analyst

Attachments

GCA CASH ACCESS TRANSACTION PROCESS

The following sets forth the Cash Access Transaction process that will be in place upon the dissolution of the GCA/IPS relationship and GCA commences issuing the negotiable instruments:

1. A patron wishing to initiate a Cash Access Transaction inserts his or her credit or debit card into a GCA access device and requests a specified amount of cash (the "Face Value") and agrees to a GCA imposed fee (the "Fee"). The patron does not enter a personal identification number.
2. The patron's preliminary authorization request is transmitted by GCA's third-party processor to the patron's financial institution. Upon GCA's third-party processor receiving a preliminary authorization for the Face Value and the Fee, the GCA access device directs the patron to proceed to the Casino cage¹ to complete the Cash Access Transaction.
3. At the Casino cage, the patron presents the credit or debit card that was used to initiate the Cash Access Transaction, along with governmentally issued photo identification, to the Casino cage employee, who verifies the patron's identity. The Casino cage employee swipes the credit or debit card through a GCA provided access device, which recalls the pre-authorized Cash Access Transaction from GCA's third-party processor.
4. Upon recall of the pre-authorized Cash Access Transaction from the third-party processor and the Casino cage employee completing certain procedures mandated by the card associations, the GCA hardware prints a three-part document (a sample of which is attached), which includes a negotiable instrument that will, upon dissolution of the GCA/IPS relationship, be printed on GCA check stock, which is payable to the Casino for the Face Value (the "negotiable instrument"). The patron signs the negotiable instrument and initials the Fee line to satisfy the applicable credit card association's requirement that the patron expressly acknowledges the Fee and the charge on the Consumer's credit, debit or other access device is expressly authorized.
5. Upon the patron initialing the Fee and signing the negotiable instrument, the Casino employee exchanges the negotiable instrument with the patron for cash in the Face amount. The Casino employee then deposits the negotiable instrument, which is made payable to the Casino and **not** the patron, at the Casino cage.
6. The negotiable instrument is subsequently deposited with the Casino's financial institution and, upon dissolution of the GCA/IPS relationship, will be settled by GCA through a GCA bank account.

¹ Please note that in those Casinos where GCA operates a booth, the same Cash Access Transaction procedure is completed at such booth rather than the Casino cage referenced herein.

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www.globalcashaccess.com

CUSTOMER COPY

Think
Be Responsible
THE FIGHT AGAINST MONEY LAUNDERING
AND TERRORISM IS YOUR CALL
1-800-522-4700

Pay To: **Test Casino**

Pay The Sum Of: *****SVOID*** (U.S. Funds)**

Fee: SVOID
Acct Charged: SVOID
Purchased From:
Reference: 1111111111
Location: Test Location

Cardholder: VOID
Card Number: *****NA
Date: 01-01-2001
Time: 01:01:01
Player's Card:

Reprint
NON NEGOTIABLE

FOR QUESTIONS ABOUT THIS TRANSACTION, CALL 800-644-0439

We collect nonpublic personal information ("information") about you from the following sources:

- (i) Information we receive from you on applications or other forms, and
- (ii) Information about your transactions with us, our affiliates, or others.

We may disclose all of the information that we collect, as described above. We may disclose information about you to the casino to which you use our services. We may also disclose information about you to nonaffiliated third parties as permitted by law. We may disclose all of the information we collect, as described above, to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements. If you prefer that we not disclose information about you to nonaffiliated third parties, you may opt out of those disclosures, that is, you may direct us not to make those disclosures (other than those permitted by law). If you wish to opt out of disclosures to nonaffiliated third parties, you should contact us at (800) 644-0439. We restrict access to information about you to those employees who we determine need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards to guard information about you.

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CASH ACCESS
www.globalcashaccess.com

CAGE COPY

Pay To: **Test Casino**

Pay The Sum Of: *****SVOID*** (U.S. Funds)**

Fee: SVOID
Acct Charged: SVOID
Card Number: *****NA
Purchased From:
BIN:
Auth Code: 1111111111
Reference: 1111111111
Location: Test Location
Player's Card:

Cardholder: VOID
Address: Test Address
City, State, Zip: Test City, Test State Test Zip
Type, State, Number: D CA TestID111
ID Expiration: 05-05-2005
Phone: (111) 111-1111
Date: 01-01-2001
Time: 01:01:01

Reprint

NON NEGOTIABLE

GLOBAL
CASH ACCESS
www.globalcashaccess.com

Issued by Integrated Payment Systems, Inc.
Englewood, Colorado 80150

Payable at Wells Fargo Bank, Grand Junction - Downtown
N.A., Grand Junction, Colorado

Pay To: **Test Casino**

Pay The Sum Of: *****SVOID*** (U.S. Funds)**

Fee: SVOID
Acct Charged: SVOID
Card Number: *****NA
Purchased From:
BIN:
Auth Code: 1111111111
Reference: 1111111111
Location: Test Location
Player's Card:

Cardholder: VOID
Address: Test Address
City, State, Zip: Test City, Test State Test Zip
Type, State, Number: D CA TestID111
ID Expiration: 05-05-2005
Phone: (111) 111-1111
Date: 01-01-2001
Time: 01:01:01

Reprint

VOID AFTER 60 DAYS

Cardholder Signature

Mark Labary

Authorized Signature

⑈0000000000⑈0000000000⑈ 00000

Transaction Process Flow

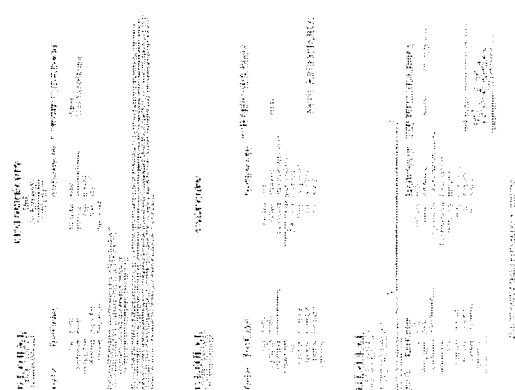
Casino Patron



CC Cash Advance
Debit POS



Issues
Negotiable
Instrument
(Money Order)
Payable to Casino



Casino

Verifies Patron
W/CIP and KYC



Obtains Signature
on Money Order
with ID

Gives THEIR CASH
to Casino Patron

