



Putting it All on the Table™

THE DIGITAL DEAL

How DigiDeal Revolutionized Table Games

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June 2007

Perhaps you've walked into one of California's tribal casinos or been to one of West Virginia's racetracks in the last few years and noticed something new: a table game pit. You might have wondered, how in the world can they have a table game pit in a jurisdiction that doesn't allow table games? The answer is simple: They're not your average table games.

In fact, they're better. They are the table games of the future, and thanks to the creative and innovative people behind one of the world's most advanced and successful electronic table game companies – DigiDeal – the future is a great place to be.

The Shuffle Behind the Deal

DigiDeal, founded in 1998 in Spokane, Wash., has had incredible success considering its youth. There are three men to thank for the technology behind the digital card table game platform: Dave Krise, Michael Kuhn and Randy Sines (now retired).

DigiDeal's inception was, like most businesses, a product of determination and perseverance. As CEO Michael Kuhn could tell you, digital cards weren't an easy sell. "From the sidelines, I had gone through the re-engineering and regulatory processes with Randy Sines on a shuffle machine he had worked on for a company called Casino Innovations, which is now Vending Data," Kuhn said. "Randy had wanted me to get involved in producing a new product that audited paper playing cards, and I said, 'Absolutely not! I'm not interested.' But he kept at it, explaining how important the cards were and how they were almost like currency – they had to be monitored and accounted for; they had to be stored and shredded when not in use; they had to be washed and audited.

"One day we were sitting on the deck at my lake place in north Idaho, and he tried one more time. I looked at him and said, 'Randy, if the cards are so damn important to a casino, then get rid of the cards.' ... With technology progressing as it was, our idea was to digitize the cards and save the casinos a lot of hassle. That's how we started the process. That was a Sunday afternoon. We worked through the night and we in the patent office the next Monday morning."

Also at the table was Dave Krise, a graphic designer at the time, with big ambitions and a bright mind. "That was just when liquid crystal displays started coming out on laptops, and we thought, 'Wow! It's actually possible to display cards flat on a table, and make them look and play like a traditional table game.' So, we got to work on our first game, Digital 21. Our goal was to keep all the ambiance and feel of a real table game, so we kept the dealer. A live dealer was crucial to create social interaction; we also knew we had to keep the option to use live chips with the digital cards," Krise, who is now DigiDeal's VP of design and development, said.

The team's first system, the Digital Card System (DCS), is still produced today and in play worldwide.



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Betting it All

The idea of digitizing cards back then was risky. Technology was advancing at an astounding rate, with Internet cafes springing up on every corner and cellular phones starting to ring in everyone's pockets, but stripping a card game of its cards was still dicey. What would the gaming industry think about a card game with no cards? Would operators want to replace their card tables with electronic versions? How would players react to a game where they had to trust technology wasn't cheating them out of a full house? Would the world, which seemed to revolve around advancements, embrace digital cards as it had satellite TV and e-mail?

DigiDeal found the world was skeptical. "We, of course, thought the industry was obstinate because it didn't receive the idea very well – I guess we were a bit ahead of the curve. It was interesting because people would say, 'Why would I pay you for a Blackjack table when I already have one?' Because it was our only offering and we didn't have any game content, it was a hard sell," Kuhn said.

The team was not discouraged by the industry's skepticism; instead it looked East, where new technology was as common as chop sticks. "We broke in the hard way, and we had to go to a lot of place," Kuhn said. "Asia was receptive to electronic table gaming, much more than the United States was. In fact, our strongest business is in East Asia, Vietnam, Cambodia, Macau and soon to be Laos. We had to find niches where they had no choice but to use digital cards, because they were not allowed to have paper card games. That's how we entered the market: We received regulatory approval as an electronic gaming device. We now have a strong presence in South America, and we just recently began major installations all over the United States," Kuhn said.

DigiDeal found that, soon enough, the world became more comfortable with the technology, and everyone wanted to try its digital card games. "Even the high rollers really like the tables because the game moves so much quicker. A traditional game with a shuffler will play between 350 and 400 hands per hour, where our table will do 750 to 800 hands per hour. The tables are doubling productivity, which the casinos like and so do the players. Even the casinos that have paper card tables are looking at our platforms and putting them in because they can make a lower-denomination table and still bring in as much money as they do on a higher-denomination table," Kuhn said. The table games of the future play faster, are more secure, don't have the overhead, and allow for more opportunities and configuration changes than their traditional half-brothers. DigiDeal's tables also enable casinos to hire hosts or dealers for personality rather than shuffling or card-counting skills.

The Digital Table System

Advancing on its DCS Table, DigiDeal created something even more advanced: the Digital Table System. Krise noted this version does so much more: "The DTS can be configured to use traditional chips, or offer full virtual play by using on-screen virtual chips and player banking through its built-in bill validation and ticket printing technology. The DTS takes full advantage of its 12-inch touchscreens, letting players do much more. It's a graduated version of the DCS. All of the games in our portfolio will be offered on the DTS, but not all are offered on the DTS, but not all are offered on the DCS because some of them you can't play without revealing cards. We've also



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graduated from the DOS-based C+ stuff in the DCS to an open architecture using Linux, Flash and some others.”

“We have the latest, greatest software, and our engineering staff has grown from about six to almost 20 – and we are looking to hire more. If anyone reading this is looking for an engineering job, we’re hiring,” Kuhn added.

The Upper Hand

Krise believes there is one main advantage of using digital cards that aces all others. “I think the biggest problem with traditional table games is the intimidation factor,” he said. “A lot of people are afraid to play games like Blackjack, Poker and Baccarat because they think that if they don’t know how to play the game, don’t understand it or can’t add the cards up, people will look at them and say, ‘Hurry up! You don’t even know how to play!’ Our electronic table games offer a basic strategy feature that the casino can turn on, so if you’ve never played Blackjack before, it totals the cards and automatically tells you whether you should hit, stay, double-down, or split. Now, all of a sudden someone who’s never played before can sit down at the table and not feel stupid.”

Not only do DigiDeal’s tables offer faster play and help with basic strategy, they also offer all the sights and sounds of a themed slow machine. “Our games have all the things that appeal to people about slot machines: colors, sounds, themes, technology, touch screens, animations and graphics,” Krise said.

Kuhn believes his company offers a particular advantage that no other electronic table game can. “A lot of people are coming to us because, as games get more complicated, our computers can do all the thinking and make the dealer and player’s jobs much easier. They virtually eliminate the mistakes that happen when playing a game like the World Poker Tour and, at the same time, actually speed up the game,” he said.

“We’re getting approached by operators more and more everyday, because they see the advantages and the interesting gaming you can produce with electronic games. We offer a choice for the operators. They can automate the host and have the players make all the decisions, or they can have a host or switch back and forth,” Kuhn said.

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A Winning Hand

DigiDeal has had some fantastic ideas over the years, and has worked incredibly hard to build a portfolio of intellectual property that’s worth envying. “We’ve been fortunate with our intellectual property (IP). We have graduated, and are able to do things that



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other folks aren't able to do. We have a product line that offers chips, virtual chips, with a host, without a host, Texas Hold'Em, World Series of Poker and stand-alone player against other players. We have a lot of people starting to copy us and trying work around our IP, and I take that as a compliment," Krise said.

With all that IP, DigiDeal knew it needed to form an alliance with a company that could bet it all and win. Earlier this year, DigiDeal did just that. And who better to play with than IGT? "We felt it was time to join teams with IGT because the industry was receiving the product so well, and because we were getting inquiries worldwide. We had a need for certain things, like progressives, game content and technical expertise that a company like IGT could bring to the table. It was clearly time to make a deal with someone to cover the world. So we ventured in on an agreement with IGT to be our manufacturer, distributor, sales force, technical support and service worldwide on an exclusive basis. For that, IGT has a license to our entire IP portfolio and many other things that they have from an IP, hardware and software standpoint."

The Next Round

There is a lot in store for electronic table games. DigiDeal has been busy shuffling ideas, and new products are just a hand away. Kuhn is aware that Macau is the fastest-growing table game market in the world, and has positioned his company to be a major player. "We have some Asian game content that we'll be unveiling this year at G2E Macau," Kuhn said. "We have a new game called DragonBacc where you can actually pinch and squeeze the cards just like they do with paper. We have a product called Buddha's Fortune, which we're introducing in Cambodia and Macau. We also have another Asian content game that's based on Gamelot's Mahjongg-styled Dragon Deck, which we're also introducing in Macau. We thought we could really take advantage of the booming Macau market through a partnership with a company like IGT."

Macau isn't the only market DigiDeal is dealing to. Krise believes there are many areas untapped at home. "We're still in the lab in Pennsylvania, but we are licensed there," he said. "We just opened Arkansas; we are currently in the Southland Park Racetrack in West Memphis, Arkansas. We're soon to be installing in another location there. We believe we have a good opportunity waiting in Florida. We're going into Kansas, Iowa and Minnesota, where we're also licensed. We'll soon begin servicing Canada through IGT, which will be a nice market for us because there are 17 racetracks there. We're going to Mexico; we have an office in Lima; and we're opening in Buenos Aires and Chile."

DigiDeal is growing so fast, it can barely keep up with demand. "We've got a back order of games, and we have many, many, many more games. We have a couple hundred games that are in the queue to be delivered in the next several months. We've stepped up our manufacturing process considerably, and we're still lagging behind our delivery schedule. We have as many games on order as we have in the field," Kuhn said.

Speed of play, table security, entertainment value, opportunity to do progressives and mystery jackpots, new twists on old games, sounds, animation and group play; there are so many things DigiDeal can do that a regular deck of cards can't. So take a closer look at the future of electronic table games – where the dealers entertain, the chips can be virtual and the cards are left inside the table.



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