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February 5, 2018

Roy Turner
Doghouse
% 7020 Windfern Rd.
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Regarding Texas Penal Code
Title 10. Offenses Against Public Health, Safety, and Morals
Chapter 47. Gambling

Mr. Turner:

At your request I have conducted an extensive investigation into the revised laws regarding poker and other card games in the state of Texas. Texas does not have a gambling commission. The only regulation on such matters is that which is contained in the above referenced chapter 47 of the Texas Penal Code.

The legislature has changed the law in the state of Texas to permit card games on which wagers are made in a private place in this state. The current interpretation of the law is that a club or facility which permits only members to gain admission or which permits only those who have paid a fee for access and continued access is a private place at which card games on which wagers are made may be played in Texas. The Texas Penal Code further requires that all parties playing the card game must have an equal chance of winning subject only to the variables involved with skill at the game and chance itself. This prohibits the facility at which the game is conducted or the management of that facility from taking any part of the amounts wagered by the game participants. The result of this is that all of the money that is wagered will be collected by the parties to the wagering and no fraction of that money will be collected by the owner of the facility. As a further means of assuring that no part of the wagered sums will go to any party other than the participants in the game the managers of such facilities prohibit the use of poker chips or tokens for tips or for purchases of food or drinks or cigarettes or anything whatsoever. The only way that a chip can be redeemed is by turning it in for money at the end of the participation in the card game.

Most of the facilities which I have visited and whose management I have interviewed have elected to surrender any liquor licenses which were previously issued by the Alcoholic Beverage Commission of the state of Texas to that address or facility. Gambling is prohibited at a liquor licensed facility. Not having a liquor license precludes any possibility that the alcohol and beverage enforcement personnel will attempt to shut

down the facility for the conduct of gambling at a liquor licensed facility. There are a number of such clubs and facilities which have already opened in the Houston and Galveston metropolitan area. Many of these facilities occupy land and improvements which have assessments of several million dollars on the appraisal districts tax rolls. In our discussions of the way in which such a club would be operated you have expressed an intent to scrupulously abide by the mandates of Chapter 47 of the Texas Penal Code. Accordingly, there would be no exposure to criminal liability for violations of Chapter 47 of the Texas Penal Code. Such a club and business can be run absolutely legally in the state of Texas at this time. Several such clubs are already open and prospering as described above. There is no license or permit which is required to be obtained to operate such an establishment. Some of your ideas and concepts in designing and maintaining the exterior and interior of such a club and facility would make it substantially safer and superior to several of the facilities which I have visited and observed to be in operation.

I wish you the very best in your forthcoming enterprise.

Frank Svetlik