

INDEX

1.	Executive Summary.....	i
2.	What is Roulabette™?.....	1
3.	Entertainment Enhances the Roulabette™ Experience.....	18
4.	Roulabette™ and Lotteries Working Together.....	24
5.	The Potential Markets.....	32
6.	The Revenue Sharing.....	34
7.	Roulabette™ Will Prevent Underaged and Compulsive Gambling..	39
8.	Internet Gambling is Illegal in the U.S.....	44
9.	Roulabette™ is Legal in the U.S.....	47
10.	Comparing Internet Gambling to Roulabette™.....	54
11.	Patent Protection.....	58

KENILWORTH

SYSTEMS CORPORATION

Executive Summary (And Brief History)

Kenilworth Systems Corporation (“Kenilworth” or the “Company”) has been a publicly traded Company since 1968, and since early in the year 2000 has been solely engaged in developing patents, a market, and obtaining governmental approvals, that will allow television satellite and cable subscribers throughout the industrialized world, to play along with live in-progress casino table games. Employing the latest encrypted satellite and cable technology and placing television cameras in strategic locations above the casino table games, without disrupting the normal game-monitoring activities, (a separate control room would direct the various camera angles), and transmitting the table games over the digital satellite and digital cable networks to television sets (“TV’s”), which become a platform for playing along with the casino games wherever TV’s are located.

Kenilworth named it Roulabette™. There are 130 million TV subscribers in the United States and more than 300 million subscribers throughout the rest of the world (“The Market”). On average, households in the U.S. have 2 ½ TV’s. (It is important since the satellite and cable companies will charge a separate fee for transmitting the table games). Public gathering places can accommodate (be able to network) up to 200 TV sets with a simple satellite receiving dish or direct cable connection. With wagering possible in homes, hotel rooms, resort rooms, pubs, restaurants, race tracks and other public gathering places will become a more than \$500 billion **net win** Market within five (5) years throughout the industrialized world.

To best Market the casino games, the Company is selecting lotteries throughout the world to manage and operate the distribution and cash handling (deposits to play and paying winnings) using the lotteries’ existing databases for the sale of lottery tickets, and paying winnings.

All forty one (41) lotteries in the United States are owned and operated by County and State agencies. Throughout the rest of the world lotteries are owned by government agencies or non profit charitable agencies that distribute the net earnings to benefit social and charitable programs, or by private entities that pay a percentage of their net win to designated government agencies.

These foreign lotteries also have the same databases as in the United States, except most lotteries throughout Europe pool their lotteries between countries, not unlike Mega Millions and Powerball, which makes the distribution simpler and very cost effective for Kenilworth.

There are no technical breakthroughs required. The technology is readily available. What is needed is to get through the maze of Local, County, State and Federal regulations in each U.S. State and foreign countries. When the first State in the United States grants the Company permission to transmit the broadcast from one of its

casinos to their residents and to States that do not have any casinos, (the entire East coast of the United States), the other forty (40) States with lotteries will join expeditiously.

The lotteries will receive forty percent (40%) of the net win without **costs of any kind**. In the United States the forty one (41) states that have lotteries collectively will share in the net win of forty percent (40%) of the subscriber base or eighty billion dollars (\$80,000,000,000), not all TV subscribers will wish to participate in Roulabette™, (only 40% of all TV subscribers are included in the estimate) an **average** of \$780,487,804 annually for each State. In addition, the States' general fund will receive five percent (5%) of the net win. This amounts to \$39,024,390 annually. This is an **annual** total of **\$895,387,804 for each participating state**.

In States that designate exclusively lottery proceeds to schools and their teachers it is a welcome contribution. In other States it will close budget gaps.

In addition, throughout the United States there are 500 facilities that simulcast live in-progress horse/dog races.

At all facilities there are several large TV screens that show the races from the different tracks with seating for patrons and private cubicles with television sets outfitted with touch screens. The cubicles rent for additional fees. After players open an account and select pin numbers, they can watch each race offered on the different tracks on the TV and place wagers on the different races by simply changing channels. The players may also watch sporting events, the News, the Stock market reports, and in the near future Roulabette™, live in-progress casino table games. The simulcast centers have their own databases to manage the cash deposit and pay winnings on the horse/dog races and can manage the casino games, on the same terms as the lotteries will manage Roulabette™. With 50 to 100 private TV's, available in simulcast centers, especially at night, when fewer tracks are operating, we conservatively estimate net win revenue nationally at \$3,750,000 **daily**. A welcome boost in purse money and for the track owners, and the states' revenue collectors.

Thank you for allowing us to explain Roulabette™.

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March 1, 2005

Roulabette™

A Product of
Kenilworth Systems
Corporation

Changing the Lotto Matrix

What is Roulabette™?



Roulabette™ is a method and system for placing wagers on a live, in-progress casino table game broadcast via digital satellite and digital cable transmission, such as Roulette, Baccarat, Dice and more at a site remote from the actual casino table at which the game is taking place.

Live, In-Progress Casino Gaming



A combination of digital satellite and digital cable technology, live casino gaming and interactive TV control systems that will rival internet gaming.

The system begins at the casino. There are television cameras that are set in strategic locations above the casino table game, which follow the game being played at a casino table.

A microphone is provided that will pick up the sound of the players' excitement and the game play as well as from the crowd near the table.

From time to time Kenilworth and Centerstaging will arrange to have celebrities play on the tables. (Centerstaging Description is on page 21)

Bet as You Watch Casino on TV Screen



Large screen television monitors located close to the table game will allow the players at the tables to see themselves as they wager.

Everybody wants to be on television. Friends will watch them at home and play along.

It will promote additional traffic at the casino from which the broadcasts emanate.

Live, in-progress Casino Table Game Action

Casino Style Wagering



Bet As You Watch
Casino On TV

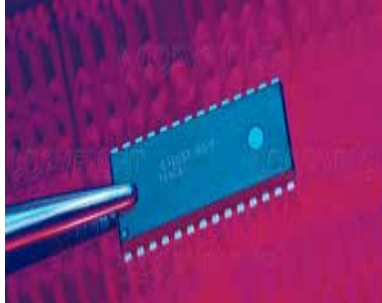


Subscribers to digital satellite and digital cable television will soon be able to bet as they watch live, in-progress casino table game action.

TVs with Set Top Boxes at various locations remote from the casino table game will receive the video display of the game play and the microprocessor in the set top box will receive the results.

Viewers will be able to wager exactly as if they were in the casino playing at the table.

Microprocessor Manages Wagering



Kenilworth's technology involves our patented microprocessor, which is incorporated in the TV set-top box

Each Set Top Box contains its own computer (microprocessor) that processes the winning and losing wager of the player at home and other remote locations, including TVs with Set Top Boxes installed within the TVs in public gathering places.

The computer receives the required deposit information and processes the player's wins and losses and constantly balances the account and on demand sends the information to the database operated by the participating Lottery.

Among other features of Roulabette™ are constant posting on the TV screen of the last winning numbers on Roulette, house wins on Baccarat and number of passes on the dice game vs. crap.

To Play
Roulabette™ is
Simple
&
Exciting

Microprocessor Manages Wagering



Actually, all the wagering takes place between where the players sit and the set top box on the TV.

The player's will use their remote control to place wagers on the television screen.

Roulabette™ is Fun and Affordable



- Fun & Entertainment



- Low Wagers

Project Roulabette™ is designed primarily for fun and entertainment

Television viewers who participate in the program can wager amounts as low as twenty-five cents (\$0.25), or its equivalent, on casino table games that have \$25 - \$1,000 minimum wagering requirements at the casino.

Commentators to Assist Players



Commentators (much like those of sporting events) will assist players with the rules and strategies of the games Roulette, Baccarat, Dice and more.

Satellite Broadcasts



Roulabette™ broadcasts are the same as ordinary satellite and cable broadcasts

The casino broadcasts along with the entertainment segments are transmitted via satellite -- the same as broadcasts of network satellite and cable programming (separate channels).

Where Roulabette™ May be Played



Roulabette™ terminals at racetracks and restaurants are TVs, with built in set-top boxes connected to the cashier's station at the premises connected to the lottery's database to manage the wagering, collect deposits and pay winners.

- Homes
- Racetracks
- Hotel Rooms
- Resorts
- Restaurants
- Taverns and Bars
- Other Public Gathering Places

Stand-Alone Roulabette™ Terminal

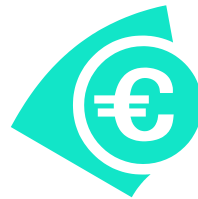


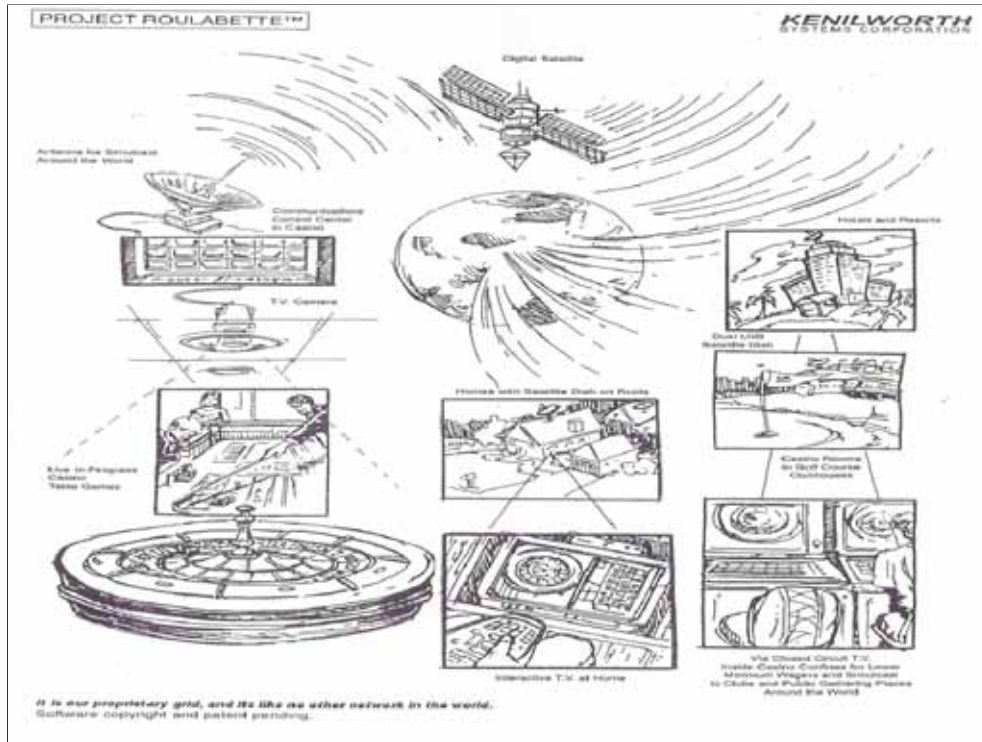
The stand alone terminals were originally designed by Kenilworth for use inside the casino, to allow patrons to learn and “play along” on table games at lesser minimum wagers (25 cents and up).

Roulabette™ is Worldwide Gaming



Play With Any Currency





This is our proprietary patented grid, and it is like no other in the world.

Entertainment

Enhances the
Roulabette™
Experience



In the United States, televised four-day poker tournaments have attracted as many as 100 million viewers over the course of the tournament.

This was achieved without any wagering, and solely for the excitement the games bring to viewers.

These and other broadcasts indicate that satellite and cable audiences exist for the entertainment value of the games, as well as for actual remote wagering of televised gaming and events.

Entertainment Between Wagering Action



Casino and resort type entertainment segments will be incorporated between the wagering action.

Roulette™ is a complete comprehensive television show, which will also appeal to non-players.

Kenilworth and Centerstaging

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AND



Kenilworth has been able to engage Centerstaging to provide the entertainment content for Roulabette™ Broadcasts

Centerstaging of Hollywood, California (a private company) is a producer of a variety of entertainment, and will be creating a minimum of thirty (30) various segments annually for use by Kenilworth in its Roulabette™ programs.

These segments will be "canned" and shown at different times during broadcast hours to alternate variety shows with gambling action.

Who is Centerstaging?



Centerstaging provides production support for musically related television award shows and specials including but not limited to:

- The Academy Awards
- The Grammy Awards
- The Tonight Show
- Late Night with David Letterman
- NBC
- ABC
- FOX
- CBS
- HBO
- MTV
- VH1

Tournament Play



- **1st Place..... \$1,000,000**
- **2nd Place.....New Car**
- **3^d Place.....Cruise**
- **4th Place.....Trip to Casino**

Kenilworth will introduce the casino games as “limited tournament play.”

For a cash amount determined by Lotteries, viewers would be able to sign up with their lottery operations to make wagers on casino table games. For example, an initial \$25.00 payment would provide for 30 wagers on any game offered, mixed and matched. Individuals would have a chance to win as much as \$1 million during a specific tournament game period. As more “play along” with Roulabette™ lottery casino games develop throughout the world, the prizes could be increased to more substantial and exciting proportions.

The limited tournament play games can be scheduled more than once a day, during specific hours of the day, on specific days or nights of the week or once or twice a month. Experience will determine scheduling. The worldwide tournaments would be similar to “Mega Millions” or “Powerball,” multi-state lotteries currently played in the United States.

How Can Roulabette™ & Lotteries Work Together?

Nineteen U.S. States Reaching Out For Expanded Gambling

- Raise Revenue
- Reduce Budget Deficits



According to a report from the National Conference of State Legislatures released in February, 2004, at least 19 States are considering new or expanded gambling within their States in an effort to raise additional revenue to reduce budget deficits.

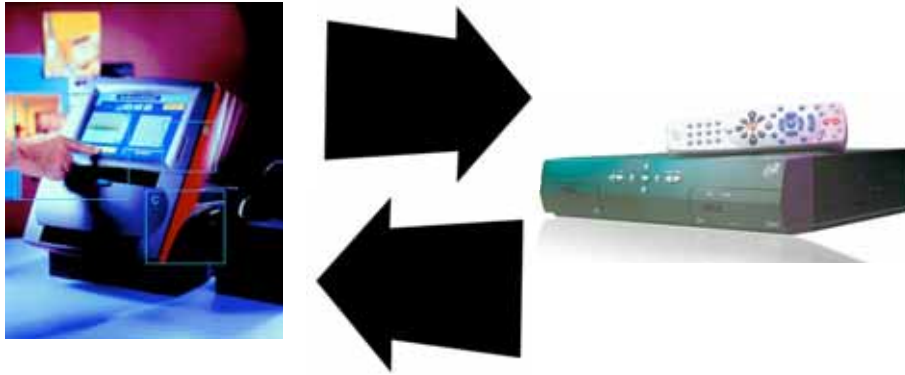
The same need for extra Lotto revenue is desired by the Lotteries throughout the Americas and Europe.

The Nineteen U.S. States That Are Reaching Out For Expanded Gambling



- California
- Delaware
- Illinois
- Indiana
- Kentucky
- Maine
- Maryland
- Michigan
- Minnesota
- Missouri
- Nebraska
- New Hampshire
- New York
- North Carolina
- Ohio
- Oklahoma
- Pennsylvania
- Rhode Island
- West Virginia

Patented Technology



The set top boxes are connected via direct telephone lines or the Internet to the Lottery's Data System in order to record and manage Roulabette™ and the Lottery's terminal transactions.

Licensed Lotto Agents Will Also Become Roulabette™ Agents



Digital satellite and digital cable TV subscribers will make deposits and/or collect winnings in the same manner as if they are purchasing, or collecting on lottery tickets

The Licensed Lottery Agents will welcome Roulabette™ for the increased commissions, paid by Kenilworth Systems Corporation.

Set Top Boxes Provided By Kenilworth



Most Set Top Boxes will be provided free, while others will be sold by participating Roulabette™ satellite and cable providers. In some jurisdictions giving away free Set Top Boxes may be considered offering gambling to those that can least afford it.

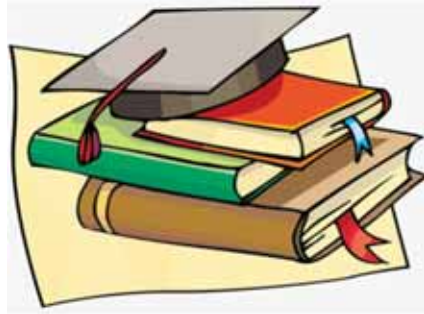
Kenilworth will use utmost discretion when it offers Roulabette™ wagering, with free Set Top Boxes.

If the world plays along with Roulabette™, Kenilworth will have to provide, over time, possibly two hundred million Set Top Boxes (many homes will have multiple boxes).

There are enough Set Top Box manufacturers around the world to quickly meet demand as it develops.

The cost of the boxes and the personnel required to operate Roulabette™ with the lotteries will be borne by Kenilworth and the satellite and digital cable providers from their share of the revenue.

Funding Education With Roulabette™



Most States in the U.S. will dedicate their Roulabette™ income to education.

The Potential Markets

The Potential Worldwide Market

**\$500 Billion
Net Win
Annually**

Governmental and securities analysts as well as casino operators, estimate the potential annual net win worldwide for live, “real-time” remote simulcast gaming at \$500 billion net win annually.

This revenue offers the prospect of being shared with State government operated Lotteries agencies in jurisdictions from which the casino broadcasts will emanate, as well as in participating jurisdictions that receive the broadcasts, including simulcast facilities at horse/dog race tracks.

The Revenue Sharing

Revenue Sharing



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All participants in Roulabette™ will share the net win revenue derived from wagering in their jurisdiction

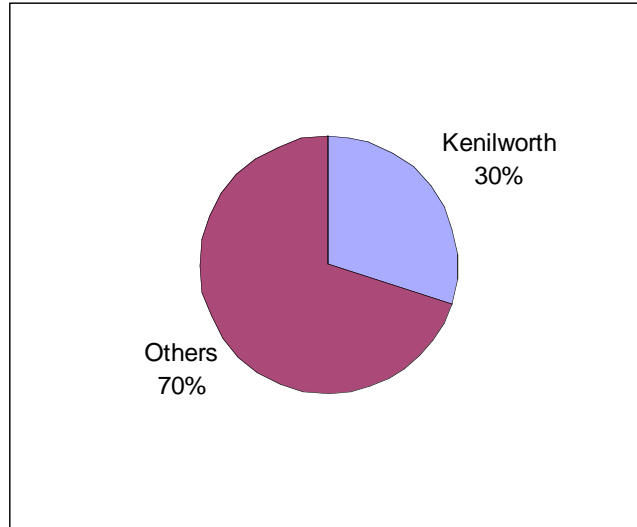
- Lotteries
- Lotto Agents
- Casinos
- Satellite Broadcast Providers
- Cable Broadcast Providers
- Kenilworth

Lotto to Receive the Lion's Share

40%

The first Lotteries to sign up will receive 40% of the net win in their jurisdictions. Others will receive reduced percentages.

The Potential Revenue Sharing



Overall, Kenilworth will share seventy percent (70%) of net revenue and retain thirty percent (30%), and defray all operating expenses.

Multi-jurisdictional Roulabette™



Lotteries will be in the position to offer Roulabette™ mega jackpots similar to Powerball and Megamillions and Tournament Play

**Roulabette™ Will
Prevent
Underaged and
Compulsive
Gambling**

A Highly Regulated Initiative

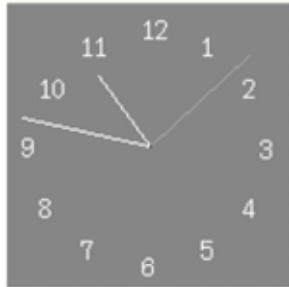


Exclusively licensing Lottery terminal Operators for the wager cash deposits will help ensure the underaged do not participate in the casino action.

Licensed Lottery Terminal Operators must observe the minimum age laws under criminal penalty.

Preventing the Under Aged From Watching Roulabette™

Strict Hours



In order to help discourage children from watching Roulabette™ the programs could be aired evenings only between the hours of 9:00 p.m. and 1:00 a.m., or as otherwise directed by the states governing authorities.

Identifying Compulsive Gamblers



Roulabette™ is also able to identify compulsive gamblers.

By tracking all wagering action with the Lotto database, the system will be able to identify problematic gamblers and limit or shut down their obsessive gambling habits.

Lottery regulations will set a limit of how much a player can wager over a specific period of time to identify compulsive gamblers.

Strictly Regulated Limits



Legislators and concerned citizens opposed to the spread of casino gambling via Internet will agree that \$.25 wagering, with strict daily, weekly and monthly limits imposed by state regulations, may find Project Roulabette™ more acceptable than the spread of all other gambling.

Internet
Gambling is
Illegal in the U.S.

Internet Gambling in the United States is Illegal



Internet Gambling violates:

The 1961 Wire Act (18 USC 1084) (An Act of Congress)

The Attorney General of the U.S. recently reiterated that the Department will start to enforce illegal Internet Gambling

We do not wish ever to be mistaken for Internet wagering

In addition to the violations, there presently is opposition to Internet gambling in Congress, and it is impossible to regulate.

Illegal Gambling in the U.S. (2005)



- **\$300 Billion Annually**



- **Estimated \$8 Billion in 2004**

In 2002 the Justice Department reported that illegal wagering on everything from sports betting to Internet virtual casino wagering in the United States during 2001 amounted to \$300 Billion. It has not released any other estimates since. Illegal U.S. virtual wagering of casino games is estimated to be 8 billion dollars in 2004, according to the casino gaming sources.

Roulabette is Legal in the United States



- Roulabette™ is the perfect alternative to illegal Internet gambling from foreign websites.
- Roulabette™ does NOT violate any Federal or State's gambling Statutes in the U.S.
- All Roulabette™ wagering takes place within a few feet of the television set that displays the casino table games and the player
- Roulabette™ does not make use of a wire communication facility prohibited by the Wire Act of 1961.
- Roulabette™ operates via digital satellite and downloaded to within each state digital cable, it does not make use of a wire communication facility.

Roulabette is Legal in the United States



Similar to Horse Race Simulcasting

Simulcasting of horse/dog racing events across State lines (jurisdictions) has been a daily event in use in the United States since 1978 without federal intervention.

The Interstate Horseracing Act of 1978, 15 U.S.C. 300 et seq. specifically allows the simulcast of horse races only via dedicated satellite transmissions across State lines as long as the wagering is not pooled with other participating States. (A strictly intrastate operation).

Among the Legislative comments to the Act include findings that:

“(1) the States should have the primary responsibility for determining what forms of gambling may legally take place within their borders;

(2) the Federal Government should prevent interference by one State with the gambling policies of another, and should act to protect identifiable national interests; and

(3) In the limited area of Interstate off-track wagering on horseraces, there is a need for Federal action to ensure States continue to cooperate with one another in the acceptance of legal interstate wagers.”

Roulabette™ wagering is identical to horse/dog racing. The simulcast of the events is transmitted across State lines via satellite only with Roulabette™ wagering taking place in receiving States, or downloaded to digital cable networks serving the state.

Roulabette is Legal in the United States



One Way Simulcast Satellite Event Without Wagering, Which Takes Place in the State Where the Transmission Comes to Rest

Roulabette™ is a one way transmission of a simulcast TV event via satellite to jurisdictions that have regulated gaming forums, such as Lotteries, racetracks, OTB offices and Video Lottery Terminal locations in place.

Roulabette is Legal in the United States



US Constitution



Ninth Amendment

State's Rights

Roulabette™ wagering would have to be sanctioned by each state, (or foreign jurisdiction) under their respective regulatory framework.

The State from which the casino table game simulcast originates can and should obtain assurances from the various state entities as to the minimum age of players, daily, weekly, monthly wagering limits (and foreclosure of identified compulsive gamblers) and that the way the games are played meet the transmitting state's casino regulations. The use of the simulcast by any recipient state that does not strictly enforce the transmitting state's Casino Control Act regulations causes the simulcast to be terminated. However, regulatory enforcement shifts entirely to the participating state. (State's Rights)

Roulabette is Legal in the United States



State's Rights

Enforcement becomes the State's responsibility, and not the responsibility of the casino operator that permits the simulcast.

Why is Roulabette™ Legal In the United States?

The three most important reasons are:

- 1. The Interstate Horseracing Act of 1978, 15 U.S.C. 300 et seq.
- 2. Sports betting in Nevada
- 3. States Rights Issue

Sports betting in Nevada Only



Patrons visiting casinos in Nevada may watch a sporting event that is taking place outside of the state's borders and wager on the outcome of the games at the casino sports book.

(Nevada does not have professional Football, Baseball or Hockey teams).

The wagers actually take place within the state of Nevada. They are not permitted to accept telephone wagers from outside of the State.

Comparing Internet Gambling to Roulabette™

Internet Gambling Vs. Roulabette™

Internet Gaming

- Virtual (make-believe) games
- Winning numbers are selected by the computer's number generator
- Possible computer manipulation of results

Internet gambling is a virtual (make-believe) activity and creates a substantial challenge to regulators.

Regulating Authorities cannot control online gaming.

The very reason that Internet gambling is outlawed in every state but one (Nevada).

Internet Gambling Vs. Roulabette™

Roulabette™

- Live, In-progress casino table game
- Odds are fixed by tradition and casino government regulators
- Pre-Fixed odds means no possible computer manipulation of results

Roulabette™ avoids all the online gaming problems and offers a better, safer, well regulated real life commercial product.

Internet Gambling Vs. Roulabette™

- Internet Gaming
- Roulabette™
- Lack of transparency of the provider's identity
- Well known, regulated casino

In the case of Internet gambling, physical controls are principally limited to securing the site of the server and checks on the employees of the firm.

Logical controls relate to the integrity of the software that implements the service, the integrity of player data stored on the server and the integrity of data in transit between the client and the server.

A real risk exists that software can be manipulated to cheat the online gambler (Arnovitz, 1992). Moreover, hackers may gain access to an online casino's internal systems, to increase payoffs in their favor, or to steal credit card and personal details from other customers

Patent Protection



June, 2003

U.S. Patent #6,575,834 B1

In June 2003, Herbert Lindo, Chairman and President of Kenilworth was granted a U.S. Patent # 6,575,834 B1 titled "System and Method For Remote Roulette and Other Game Play Using Game Table at a Casino" for its television wagering system, which he assigned to Kenilworth in 2000.

Patents Filed Worldwide



The U.S. patent has been filed in most industrialized countries throughout Asia, and Europe, including the Russian Republics.

Patented Technology



Additional Patents Pending

In addition to the Patent grant, we have Patents pending for the use of the lottery terminal in connection with Roulabette™ and other digital set-top box applications.

Other Patent Applications Pending include a magnetic slide track on the Set Top Box that accepts a dedicated Swipe Card issued to the household adult in charge of playing Roulabette™, who must slide the swipe card across the track to open the Set Top Box for casino wagering and swipe again to close the wagering allowing all other Set Top Box television transmissions to continue.

Fraud Prevention



The swipe track could also be used to identify credit card information that will prevent the acknowledged two percent (2%) fraud committed when dialing the credit card information via the telephone.

When merchants receive credit card information from consumers it does not mean the consumer has the credit card in his possession. It could save billions annually from fraudulent transactions. Its an incentive for digital satellite and cable television subscribers to sign up with Roulabette™ and Lotteries.

Roulabette™
The Possibilities
are
Boundless