

OHIO CASINO CONTROL COMMISSION

RESOLUTION 2012-91

CONSIDERATION OF THE APPLICATION OF AINSWORTH GAME TECHNOLOGY LTD. FOR A GAMING-RELATED VENDOR LICENSE

WHEREAS, Article XV, Section 6(C)(4) of the Ohio Constitution created the Ohio Casino Control Commission (“Commission”) to ensure the integrity of casino gaming by, among other things, licensing and regulating all gaming authorized by Article XV, Section 6(C) of the Ohio Constitution;

WHEREAS, R.C. 3772.09(A) prohibits, among others, any gaming-related vendor or key employee thereof from conducting or participating in conducting casino gaming without first being licensed by the Commission;

WHEREAS, R.C. 3772.10(B) requires, among others, gaming-related vendors and key employees thereof seeking licensure under R.C. Chapter 3772 to establish their suitability by clear and convincing evidence;

WHEREAS, R.C. 3772.12(A) and Ohio Adm. Code 3772-6-02(A) require any gaming-related vendor seeking licensure to submit, under oath, a Gaming-Related Vendor License Application;

WHEREAS, R.C. 3772.121 and Ohio Adm. Code 3772-6 authorize the Commission to issue gaming-related vendor licenses to applicants after the Commission determines that the applicants are eligible for licensure and have paid all applicable fees;

WHEREAS, a gaming-related vendor license applicant is eligible for licensure upon meeting the following criteria:

- (A) Submission of a true and complete Gaming-Related Vendor License Application, as required by R.C. 3772.10(C) and 3772.12(A) and Ohio Adm. Code 3772-6-02(A);
- (B) Payment of the nonrefundable application fee of \$10,000.00, as required by R.C. 3772.17(C) and Ohio Adm. Code 3772-6-03(A), and all fees necessary to cover the costs of the background investigation in excess of the application fee set forth by Ohio Adm. Code 3772-6-03(A), if any;
- (C) Submission, on a form provided by the Commission, of two sets of the applicant’s fingerprints, as required by R.C. 3772.121(A)(3), if applicable;
- (D) Reimbursement of the costs for the criminal records check, as required by R.C. 3772.07 and 3772.121(A)(2), if applicable;

- (E) Not having been convicted of or pled guilty or no contest to a disqualifying offense, as defined by R.C. 3772.07 and required by R.C. 3772.07 and 3772.10(C)(1); and
- (F) Otherwise is suitable for licensure, as required by R.C. 3772.10(B) and (C);

WHEREAS, R.C. 3772.03(D)(5) mandates that the Commission adopt rules prescribing the minimum amount of insurance that must be maintained by, among others, gaming-related vendors;

WHEREAS, Ohio Adm. Code 3772-7-01(A) requires, among others, gaming-related vendor licensees to obtain and maintain the following types of insurance in minimum amounts determined by the Commission:

- (A) Liability;
- (B) Casualty;
- (C) Fire;
- (D) Theft;
- (E) Worker's compensation; and
- (F) Any other type of insurance the Commission deems necessary to ensure the licensee is adequately insured;

WHEREAS, R.C. 3772.13(B) and Ohio Adm. Code 3772-5-02(A) require any gaming-related vendor key employee seeking licensure to submit a Key Employee License Application;

WHEREAS, R.C. 3772.13 and Ohio Adm. Code 3772-5 authorize the Commission to issue key employee licenses to applicants after the Commission determines that the applicants are eligible for licensure and have paid all applicable fees;

WHEREAS, a key employee license applicant is eligible for licensure upon meeting the following criteria:

- (A) Being at least 21 years of age, as required by R.C. 3772.13(C);
- (B) Submission of a true and complete Key Employee License Application, as required by R.C. 3772.10(C) and 3772.131(D) and Ohio Adm. Code 3772-6-02(A);

- (C) Submission, on a form provided by the Commission, of two sets of the applicant's fingerprints and a photograph, as required by R.C. 3772.13(E);
- (D) Payment of the nonrefundable application fee of \$2,000.00, as required by R.C. 3772.13(E) and 3772.17(D) and Ohio Adm. Code 3772-5-03(A), and all fees necessary to cover the cost of the background investigation in excess of the application fee set forth by Ohio Adm. Code 3772-5-03(A), if any;
- (E) Reimbursement of the costs for the background check, including the criminal records check, as required by R.C. 3772.07 and 3772.13(E);
- (F) Not having been convicted of or pled guilty or no contest to a disqualifying offense, as defined by R.C. 3772.07 and required by R.C. 3772.07 and 3772.10(C)(1); and
- (G) Otherwise is suitable for licensure, as required by R.C. 3772.10(B) and (C);

WHEREAS, on or about May 14, 2012, Ainsworth Game Technology Ltd. ("AGT") submitted an application for licensure as a gaming-related vendor to the Commission in accordance with R.C. 3772.12(A) and Ohio Adm. Code 3772-6-02(A);

WHEREAS, AGT paid the nonrefundable application fee, as required by R.C. 3772.17(C) and Ohio Adm. Code 3772-6-03(A);

WHEREAS, AGT submitted to the Commission information and materials (a summary of which is attached as Exhibit A) necessary to demonstrate that it has obtained and maintains all of the requisite types of insurance and the amounts of each type;

WHEREAS, the owners, officers, directors, and key employees of AGT, who appear on the attached list marked Exhibit B, ("Key Employees") submitted their applications for licensure as Key Employees to the Commission in accordance with R.C. 3772.13(B) and Ohio Adm. Code 3772-5-02(A);

WHEREAS, with respect to the Key Employees, the nonrefundable application fees have been paid, as required by R.C. 3772.13(E) and 3772.17(D) and Ohio Adm. Code 3772-5-03(A), and the Commission has been reimbursed for the costs of the criminal records checks, in accordance with and as required by R.C. 3772.07 and 3772.13(E);

WHEREAS, the Commission's Division of Licensing and Investigation reviewed the submitted gaming-related vendor application, materials and information, and conducted thorough suitability investigations of AGT and the Key Employees;

WHEREAS, Commission staff has filed a report, dated December 3, 2012, captioned *Investigative Report on the Application of Ainsworth Game Technology Ltd. for a Gaming-Related Vendor License* (“Report”);

WHEREAS, the Report concludes that based upon the investigation no derogatory information that adversely impacts upon the suitability of AGT or the Key Employees was uncovered and that AGT is qualified to be approved as a gaming-related vendor subject to certain conditions;

WHEREAS, the Commission’s Division of Licensing and Investigation recommends that the Commission grant a gaming-related vendor license to AGT subject to the following conditions:

- (A) AGT shall report any changes in their management, ownership, or stockholdings to the Commission in accordance with Ohio Adm. Code 3772-6-04;
- (B) AGT shall report any loans, debt incurred, or any other significant financial matters to the Commission in accordance with Ohio Adm. Code 3772-6-04;
- (C) AGT shall pay all fees required by the Commission, including the following:
 - (1) The cost of the background investigation that exceeded the application fee set forth by Ohio Adm. Code 3772-6-03(A), as required by R.C. 3772.17(C) and Ohio Adm. Code 3772-6-03(B); and
 - (2) A nonrefundable license fee of \$15,000.00, as required by R.C. 3772.121(A)(2) and 3772.17(C) and Ohio Adm. Code 3772-6-03(C); and
- (D) AGT’s Compliance Committee shall notify the Executive Director of the Commission no later than 30 days from when the Compliance Committee conducts any due diligence efforts, takes any action, or makes any recommendations concerning current or future business.

WHEREAS, the Commission has considered the Report and heard from representatives of AGT at its public meeting on December 12, 2012.

NOW, THEREFORE, BE IT RESOLVED, by the Commission that AGT’s application for licensure is **APPROVED** and AGT is hereby **LICENSED** for a period not to exceed 3 years, effective today, as a gaming-related vendor subject to continued compliance with R.C. Chapter 3772 and the rules adopted thereunder and the following conditions:

- (A) AGT shall report any changes in their management, ownership, or stockholdings to the Commission in accordance with Ohio Adm. Code 3772-6-04;
- (B) AGT shall report any loans, debt incurred, or any other significant financial matters to the Commission in accordance with Ohio Adm. Code 3772-6-04;
- (C) AGT shall pay all fees required by the Commission, including the following:
 - (1) The cost of the background investigation that exceeded the application fee set forth by Ohio Adm. Code 3772-6-03(A), as required by R.C. 3772.17(C) and Ohio Adm. Code 3772-6-03(B); and
 - (2) A nonrefundable license fee of \$15,000.00, as required by R.C. 3772.121(A)(2) and 3772.17(C) and Ohio Adm. Code 3772-6-03(C); and
- (D) AGT's Compliance Committee shall notify the Executive Director of the Commission no later than 30 days from when the Compliance Committee conducts any due diligence efforts, takes any action, or makes any recommendations concerning current or future business.

BE IT FURTHER RESOLVED, that AGT's insurances, including the amounts for each type, are **APPROVED**.

BE IT FURTHER RESOLVED, that the Key Employee License Applications of the natural persons contained on Exhibit B are **APPROVED** and those persons are hereby **LICENSED** for a period not to exceed 3 years, effective today, as key employees, subject to continued compliance with R.C. Chapter 3772 and the rules adopted thereunder and the payment of all fees required by the Commission, including the following:

- (A) The cost of any key employee background investigation that exceeded the application fee set forth by Ohio Adm. Code 3772-5-03(A), as required by R.C. 3772.17(D) and Ohio Adm. Code 3772-5-03(B); and
- (B) A nonrefundable license fee of \$500.00 per key employee license, as required by R.C. 3772.17(D) and Ohio Adm. Code 3772-5-03(C).

BE IT FURTHER RESOLVED, that Resolution 2012-91 does not in any way affect, negate, or otherwise absolve AGT or the Key Employees from their duties to update information in accordance with Ohio Adm. Code 3772-6-04 and 3772-5-04.

BE IT FURTHER RESOLVED, that Resolution 2012-91 does not restrict or limit the Commission's future exercise of authority and discretion with respect to

imposing additional conditions or taking further action upon AGT or the Key Employees under R.C. Chapter 3772 and the rules adopted thereunder.

Adopted: December 12, 2012

Exhibit A
Resolution 2012-91

Ainsworth Game Technology Ltd.	
Types of Insurance	Coverage
Commercial General Liability	\$1,000,000
Automobile Liability	\$1,000,000
Umbrella Liability	\$9,000,000
Workers Compensation & Employers' Liability	\$500,000
Foreign Liability	\$1,000,000
Property Special (includes fire & theft coverage)	\$100,000

Exhibit B
Resolution 2012-91

1. Leonard H. Ainsworth, Executive Chairman
2. Margarete Ainsworth
3. Daniel Gladstone, President & CEO
4. Michael Yates, Director
5. Graeme Campbell, Director
6. Stewart Wallis, Director
7. Mark Ludski, Chief Financial Officer
8. John Glaser, Director of Sales