

OHIO CASINO CONTROL COMMISSION

RESOLUTION 2014-03

CONSIDERATION OF THE APPLICATIONS OF INTERBLOCK USA L.C. AND ELEKTRONCEK D.D. FOR GAMING-RELATED VENDOR LICENSES

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 Chapter 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 July 16, 2013, Interblock USA L.C. ("Interblock") and Elektroncek D.D. ("Elektroncek") submitted applications for licensure as gaming-related vendors to the Commission in accordance with R.C. 3772.12(A) and Ohio Adm. Code 3772-6-02(A);

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

WHEREAS, Interblock and Elektroncek submitted to the Commission information and materials (summaries of which are attached as Exhibit A) necessary to demonstrate that they have obtained and maintain all of the requisite types of insurance and the amounts of each type;

WHEREAS, the owners, officers, directors, and key employees of Interblock and Elektroncek, who appear on the attached list marked Exhibit B, ("Interblock and Elektroncek 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 Interblock and Elektroncek 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, Elektroncek Group B.V. submitted the required information and documentation as a holding company of Interblock and Elektroncek to the Commission;

WHEREAS, the owners, officer, directors and key employees of the Elektroncek Group B.V., who appear on Exhibit B, (“B.V. Key Employees”) submitted their applications for licensure as key employees to the Commission;

WHEREAS, with respect to the B.V. 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 Investigations reviewed the submitted gaming-related vendor and key employee applications, other materials and information, and conducted thorough suitability investigations of Interblock, Elektroncek, Elektroncek Group B.V., and their key employees;

WHEREAS, Commission staff has filed a report, dated January 29, 2014, captioned *Investigative Report on the Applications of Elektroncek D.D. and Interblock USA L.C. for Gaming-Related Vendor Licenses* (“Report”);

WHEREAS, the Report concludes that based upon the investigation, no derogatory information that adversely impacts upon the suitability of Interblock, Elektroncek, Elektroncek Group B.V., or their key employees was uncovered and that Interblock and Elektroncek are qualified to be approved as gaming-related vendors subject to certain conditions;

WHEREAS, the Commission’s Division of Investigations recommends that the Commission grant gaming-related vendor licenses to Interblock and Elektroncek subject to the following conditions:

- (A) Interblock and Elektroncek shall report any changes in their management, ownership, or stockholdings to the Commission in accordance with Ohio Adm. Code 3772-6-04;
- (B) Interblock and Elektroncek 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) Interblock and Elektroncek 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), if any; and

- (2) A nonrefundable license fee of \$15,000.00 per license, as required by R.C. 3772.121(A)(2) and 3772.17(C) and Ohio Adm. Code 3772-6-03(C); and
- (D) Elektroncek'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 Interblock and Elektroncek at its public meeting on February 12, 2014.

NOW, THEREFORE, BE IT RESOLVED, by the Commission that Interblock and Elektroncek's applications for licensure are **APPROVED** and Interblock and Elektroncek are hereby **LICENSED** for a period not to exceed three years, effective today, as gaming-related vendors subject to continued compliance with R.C. Chapter 3772 and the rules adopted thereunder and the following conditions:

- (A) Interblock and Elektroncek shall report any changes in their management, ownership, or stockholdings to the Commission in accordance with Ohio Adm. Code 3772-6-04;
- (B) Interblock and Elektroncek 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) Interblock and Elektroncek 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), if any; and
 - (2) A nonrefundable license fee of \$15,000.00 per license, as required by R.C. 3772.121(A)(2) and 3772.17(C) and Ohio Adm. Code 3772-6-03(C); and
- (D) Elektroncek'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 Interblock and Elektroncek'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 three 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 2014-03 does not in any way affect, negate, or otherwise absolve Interblock, Elektroncek, Elektroncek Group B.V., or their key employees from their duties to update information in accordance with Ohio Adm. Code 3772-6-04 and Ohio Adm. Code 3772-5-04, as applicable.

BE IT FURTHER RESOLVED, that Resolution 2014-03 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 Interblock, Elektroncek, Elektroncek Group B.V., or their key employees under R.C. Chapter 3772 and the rules adopted thereunder.

Adopted: February 12, 2014

Exhibit A
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Interblock USA L.C. and Elektroncek D.D.

| Types of Insurance | | Coverage |
|---|-------------|-----------------|
| General Liability (covers fire) | Interblock | \$ 2,000,000 |
| Automobile Liability | Interblock | \$ 1,000,000 |
| Umbrella Liability | Interblock | \$ 5,000,000 |
| Worker's Compensation | Interblock | \$ 1,000,000 |
| Business Personal Property Special (including theft)- Location #1 | Interblock | \$ 2,000,000 |
| Business Personal Property Special (including theft)- Location #2 | Interblock | \$ 500,000 |
| Property (aggregate, including fire) | Elektroncek | € 5.305.000,00 |
| Property (aggregate, including fire) | Elektroncek | € 10.040.000,00 |
| Business Interruption- fire | Elektroncek | € 14.084.341,69 |
| Glass Insurance (aggregate for different properties) | Elektroncek | € 12.500,00 |
| Computers | Elektroncek | € 93.523,42 |
| Burglary, Robbery Insurance | Elektroncek | € 20.000,00 |
| General Liability | Elektroncek | € 60.000,00 |

Exhibit B
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1. Anthony Laielli
2. Thomas O'Brien
3. Daniel Ouellette
4. Joze Pececnik
5. Rok Uhan
6. Petra Vidmar
7. Tomaz Zvipelj