

OHIO CASINO CONTROL COMMISSION

RESOLUTION 2015-02

CONSIDERATION OF THE APPLICATIONS OF GTECH USA, LLC, GTECH CANADA ULC, AND IGT 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 this fee, as set forth in Ohio Adm. Code 3772-6-03(B), 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 eligible for licensure, as required by R.C. 3772.10(B) and (C)(6);

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 this fee, as set forth in Ohio Adm. Code 3772-5-03(B), 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 eligible for licensure, as required by R.C. 3772.10(B) and (C)(6);

WHEREAS, on June 19, 2013, the Commission approved GTECH USA, LLC, ("GTECH USA") and GTECH Canada ULC's ("GTECH Canada") initial license applications, as reflected by Resolution 2013-14;

WHEREAS, on May 9, 2012, the Commission approved IGT's initial license application, as reflected by Resolution 2012-31;

WHEREAS, on July 15, 2014, the Commission received written notification detailing a proposed acquisition of GTECH USA, LLC, GTECH Canada ULC, and IGT (collectively, "Applicants"), by a newly formed United Kingdom holding company, Georgia Worldwide PLC ("Georgia Worldwide");

WHEREAS, because the proposed changes to the ownership and control structures would, upon closing of the merger, constitute new majority ownership interest or control of the licensees, R.C. 3772.091(A) requires the Applicants to seek and obtain new gaming-related vendor licenses;

WHEREAS, the Applicants sought new gaming-related vendor licenses through the July 15 notification;

WHEREAS, on or about September 10, 2014, the Applicants 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, the Applicants paid the nonrefundable application fees, as required by R.C. 3772.17(C) and Ohio Adm. Code 3772-6-03(A);

WHEREAS, the Applicants have submitted to the Commission information and materials necessary to demonstrate that the Applicants have obtained and maintain all of the requisite types of insurance and the amounts of each type, as required by R.C. 3772.03(D)(5) and Ohio Adm. Code 3772-7-01(A), as reflected in the Commission's adoption of Resolutions 2013-14 and 2012-64;

WHEREAS, International Game Technology, Georgia Worldwide, DeAgostini S.p.A. ("DeAgostini"), and B&D Holding di Marco Drago e. C. S.a.p.a ("B&D Holding") submitted to the Commission the required information and documentation as holding companies of the Applicants;

WHEREAS, the owners, officers, directors, and key employees of the holding companies, including those who appear on the attached list marked Exhibit A, ("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 Investigations reviewed the submitted Gaming-related Vendor and Key Employee License Applications, other materials and information, and conducted thorough suitability investigations of the Applicants, International Game Technology, Georgia Worldwide, DeAgostini, B&D Holding, and their Key Employees;

WHEREAS, Commission staff has filed a report, dated January 30, 2015, captioned *Investigative Report on the Applications of GTECH USA, LLC, GTECH Canada ULC and IGT 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 the Applicants, International Game Technology, Georgia Worldwide, DeAgostini, B&D Holding, or their Key Employees was uncovered and that the Applicants are qualified to be approved as gaming-related vendors subject to certain conditions;

WHEREAS, the Commission's Division of Licensing and Investigations recommends that the Commission grant gaming-related vendor licenses to the Applicants subject to the following conditions:

- (A) As a condition precedent to licensure, all transactions related to the proposed acquisitions shall close without any material changes and the Commission shall be provided with executed copies of all related documents within 10 days of their execution;

- (B) The Applicants shall report to the Commission any changes in their management, ownership, or stockholdings, in accordance with Ohio Adm. Code 3772-6-04;
- (C) The Applicants shall report to the Commission any loans, debt incurred, or any other significant financial matters, in accordance with Ohio Adm. Code 3772-6-04;
- (D) The Applicants 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 applicable; 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
- (E) The Applicants' Compliance Committees shall notify the Commission's Executive Director no later than 30 days after 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 the Applicants' representatives at its public meeting on February 11, 2015.

NOW, THEREFORE, BE IT RESOLVED, by the Commission that the Applicants' applications for licensure are **APPROVED** and they are hereby **LICENSED** for a period not to exceed three years, effective on the date in which all transactions related to the proposed acquisitions are closed, as gaming-related vendors subject to continued compliance with R.C. Chapter 3772 and the rules adopted thereunder and the following conditions:

- (A) As a condition precedent to licensure, all transactions related to the proposed acquisitions shall close without any material changes and the Commission shall be provided with executed copies of all related documents within 10 days of their execution;
- (B) The Applicants shall report to the Commission any changes in their management, ownership, or stockholdings, in accordance with Ohio Adm. Code 3772-6-04;
- (C) The Applicants shall report to the Commission any loans, debt incurred, or any other significant financial matters, in accordance with Ohio Adm. Code 3772-6-04;

- (D) The Applicants 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 applicable; 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
- (E) The Applicants' Compliance Committees shall notify the Commission's Executive Director no later than 30 days after 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 the Key Employee License Applications of the natural persons contained on Exhibit A are **APPROVED** and those persons are hereby **LICENSED** for a period not to exceed three years, effective on the date in which all transactions related to the proposed acquisitions are closed, 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 2015-02 does not in any way affect, negate, or otherwise absolve the Applicants, International Game Technology, Georgia Worldwide, DeAgostini, B&D Holding, 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 2015-02 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 the Applicants, International Game Technology, Georgia Worldwide, DeAgostini, B&D Holding, or their Key Employees under R.C. Chapter 3772 and the rules adopted thereunder.

Adopted: February 11, 2015

Exhibit A
Resolution 2015-02

1. Sir Jeremy Hanley
2. James McCann