

OHIO CASINO CONTROL COMMISSION

RESOLUTION 2017-17

CONSIDERATION OF BALLY GAMING, INC.'S APPLICATION TO RENEW ITS GAMING-RELATED VENDOR LICENSE

WHEREAS, Article XV, Section 6(C)(4) of the Ohio Constitution created the Ohio Casino Control 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 any gaming-related vendor from conducting or participating in conducting casino gaming without first being licensed by the Commission;

WHEREAS, R.C. 3772.10(B) requires gaming-related vendors 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 (“Application”);

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

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

- (A) Submission of a true and complete 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 renewal application fee of \$10,000.00, as required by R.C. 3772.17(D) 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, as permitted by Ohio Adm. Code 3772-6-03(B);
- (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 3772.17(D), 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); 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 gaming-related vendors;

WHEREAS, Ohio Adm. Code 3772-7-01(A) requires 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) Property;
- (D) Crime;
- (E) Worker's compensation; and
- (F) Any other type of insurance the Commission deems necessary to ensure the licensee is adequately insured;

WHEREAS, on July 21, 2017, Bally Gaming, Inc., submitted an Application in accordance with R.C. 3772.12(A) and Ohio Adm. Code 3772-6-02(A);

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

WHEREAS, Bally Gaming submitted to the Commission information and materials necessary to demonstrate that it has obtained and maintains the applicable 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) and as reflected in the Commission's adoption of Resolutions 2012-64 and 2014-18;

WHEREAS, Bally Technologies, Inc., Scientific Games Corporation, SGMS Acquisition Corporation, and MacAndrews & Forbes Incorporated (collectively, "Holding Companies") submitted information and documentation as holding companies of Bally Gaming;

WHEREAS, the Commission's Division of Licensing and Investigations reviewed the Application and other materials and information and conducted thorough suitability investigations of Bally Gaming and its Holding Companies;

WHEREAS, the Division has filed a report, dated November 8, 2017, captioned *Investigative Report on the Renewal Application of Bally Gaming, Inc., for a Gaming-Related Vendor License* (“Report”);

WHEREAS, the Report concludes that based upon the investigation, no material derogatory information that adversely impacts upon the suitability of Bally Gaming, Inc., or its Holding Companies was uncovered and that Bally Gaming is eligible to be granted a renewal license;

WHEREAS, the Division recommends that the Commission renew Bally Gaming’s gaming-related vendor license, subject to the following conditions:

- (A) Bally Gaming and its Holding Companies shall report to the Commission any changes in their management, ownership, or stockholdings, in accordance with Ohio Adm. Code 3772-6-04;
- (B) Bally Gaming and its Holding Companies shall report to the Commission any loans, debt incurred, or any other significant financial matters to the Commission, in accordance with Ohio Adm. Code 3772-6-04;
- (C) Bally Gaming 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(D) and permitted by Ohio Adm. Code 3772-6-03(B), if any; and
 - (2) A nonrefundable license fee of \$15,000.00, as required by R.C. 3772.121(A)(2) and 3772.17(D) and Ohio Adm. Code 3772-6-03(C); and
- (D) Scientific Games’ Compliance Committee shall notify the Commission’s Executive Director no later than 30 days from the date in which the Committee conducts any due diligence efforts, takes any action, or makes any recommendations concerning current or future business;

WHEREAS, the Commission has reviewed the Report and considered the matter at its public meeting on November 15, 2017.

NOW, THEREFORE, BE IT RESOLVED, by the Commission that Bally Gaming’s Application is **APPROVED** and its gaming-related vendor license is **RENEWED** for a period not to exceed 3 years, effective upon the expiration of its previous license, subject to continued compliance with R.C. Chapter 3772 and the rules adopted thereunder and the following conditions:

- (A) Bally Gaming and its Holding Companies shall report to the Commission any changes in their management, ownership, or stockholdings, in accordance with Ohio Adm. Code 3772-6-04;
- (B) Bally Gaming and its Holding Companies shall report to the Commission any loans, debt incurred, or any other significant financial matters to the Commission, in accordance with Ohio Adm. Code 3772-6-04;
- (C) Bally Gaming 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(D) and permitted by Ohio Adm. Code 3772-6-03(B), if any; and
 - (2) A nonrefundable license fee of \$15,000.00, as required by R.C. 3772.121(A)(2) and 3772.17(D) and Ohio Adm. Code 3772-6-03(C); and
- (D) Scientific Games' Compliance Committee shall notify the Commission's Executive Director no later than 30 days from the date in which the Committee conducts any due diligence efforts, takes any action, or makes any recommendations concerning current or future business.

BE IT FURTHER RESOLVED, that Resolution 2017-17 does not in any way affect, negate, or otherwise absolve Bally Gaming or its Holding Companies from their duties to update information in accordance with Ohio Adm. Code 3772-6-04.

BE IT FURTHER RESOLVED, that Resolution 2017-17 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 Bally Gaming or its Holding Companies under R.C. Chapter 3772 and the rules adopted thereunder.

Adopted: November 15, 2017