

OHIO CASINO CONTROL COMMISSION

RESOLUTION 2013-28

**CONSIDERATION OF THE APPLICATION OF SHFL ENTERTAINMENT, INC.
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 Chapter 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 and required by R.C. 3772.07; 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, on May 2, 2012, the Commission approved SHFL entertainment, Inc.'s (f.k.a. Shuffle Master, Inc.) initial license application, as reflected by Resolution 2012-32;

WHEREAS, on July 16, 2013, SHFL entertainment, Inc. ("SHFL") submitted to the Commission written notification detailing a proposed acquisition of SHFL by Bally Technologies, Inc. ("Bally Technologies");

WHEREAS, on April 18, 2012, the Commission found Bally Technologies suitable as a holding company in connection with the gaming-related vendor application of Bally Gaming, Inc., as reflected by Resolution 2012-21;

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 licensee, R.C. 3772.091(A) requires SHFL to seek and obtain a new gaming-related vendor license;

WHEREAS, SHFL sought a new gaming-related vendor license through its July 16 notification;

WHEREAS, on or about August 12, 2013, SHFL 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, SHFL paid the nonrefundable application fee, as required by R.C. 3772.17(C) and Ohio Adm. Code 3772-6-03(A);

WHEREAS, SHFL submitted to the Commission information and materials necessary to demonstrate that SHFL has obtained and maintains 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 Resolution 2012-64;

WHEREAS, the Commission's Division of Licensing and Investigations reviewed the submitted gaming-related vendor application, materials and information, and conducted thorough a suitability investigation of SHFL;

WHEREAS, Commission staff has filed a report, dated November 1, 2013, captioned *Investigative Report on the Application of SHFL entertainment, Inc. 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 SHFL was uncovered and that SHFL is qualified to be approved as a gaming-related vendor subject to certain conditions;

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

- (A) As a condition precedent to licensure, but no later than December 31, 2013, Bally Technologies shall close all transactions related to the proposed acquisition without any material changes and provide the Commission with executed copies of all related documents within 10 days of their execution;
- (B) SHFL shall report to the Commission any changes in their management, ownership, or stockholdings, in accordance with Ohio Adm. Code 3772-6-04;
- (C) SHFL 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) SHFL 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) Bally'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 matter at its public meeting on November 20, 2013.

NOW, THEREFORE, BE IT RESOLVED, by the Commission that SHFL's application for licensure is **APPROVED** and SHFL is hereby **LICENSED** for a period not to exceed 3 years, effective on the date in which all transactions related to Bally Technologies's proposed acquisition of SHFL are closed, as a gaming-related vendor 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, but no later than December 31, 2013, Bally Technologies shall close all transactions related to the proposed acquisition without any material changes and provide the Commission with executed copies of all related documents within 10 days of their execution;
- (B) SHFL shall report to the Commission any changes in their management, ownership, or stockholdings, in accordance with Ohio Adm. Code 3772-6-04;
- (C) SHFL 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) SHFL 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) Bally'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 Resolution 2013-28 does not in any way affect, negate, or otherwise absolve SHFL from its duty to update information in accordance with Ohio Adm. Code 3772-6-04.

BE IT FURTHER RESOLVED, that Resolution 2013-28 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 SHFL under R.C. Chapter 3772 and the rules adopted thereunder.

Adopted: November 20, 2013