

OHIO CASINO CONTROL COMMISSION

RESOLUTION 2016-08

CONSIDERATION OF EVERI PAYMENTS 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 or key employee from conducting or participating in conducting casino gaming without first being licensed by the Commission;

WHEREAS, R.C. 3772.15(B) and Ohio Adm. Code 3772-6-02(D) and 3772-5-02(D) require that gaming-related vendor and key-employee licensees undergo complete investigations at least once every three years to ensure continued eligibility for licensure;

WHEREAS, R.C. 3772.10(B) requires gaming-related vendors and key employees 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 ("Vendor 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 have paid 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 Vendor 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. 3772.15(A) and 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 3772.121(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); 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) 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 December 21, 2015, Everi Payments Inc. ("Everi Payments") submitted a Vendor Application in accordance with R.C. 3772.12(A) and Ohio Adm. Code 3772-6-02(A);

WHEREAS, Everi Payments paid the nonrefundable application fee, as required by R.C. 3772.15(A) and 3772.17(D) and Ohio Adm. Code 3772-6-03(A);

WHEREAS, Everi Payments submitted information and materials necessary to demonstrate that it 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) and as reflected in the Commission's adoption of Resolution 2013-10;

WHEREAS, Everi Holdings Inc. (“Everi Holdings”) submitted information and documentation as a holding company of Everi Payments;

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 (“Key Employee Application”);

WHEREAS, R.C. 3772.13 and Ohio Adm. Code Chapter 3772-5 authorize the Commission to issue key-employee licenses to applicants, including renewal 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 renewal upon meeting the following criteria:

- (A) Being at least 21 years of age, as required by R.C. 3772.13(D);
- (B) Submission of a true and complete Key Employee Application, as required by R.C. 3772.10(C) and 3772.13(E) and Ohio Adm. Code 3772-5-02(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(F);
- (D) Payment of the nonrefundable renewal application fee of \$2,000.00, as required by R.C. 3772.13(F), 3772.15(A), and 3772.17(E) 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, as permitted by Ohio Adm. Code 3772-5-03(B);
- (E) Reimbursement of the costs for the background check, including the criminal records check, as required by R.C. 3772.07 and 3772.13(F);
- (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); and
- (G) Otherwise is suitable for licensure, as required by R.C. 3772.10(B) and (C);

WHEREAS, the owners, officers, directors, and key employees of Everi Payments and Everi Holdings, who appear on the attached list marked Exhibit A, (“Key Employees”) submitted Key Employee Applications, in accordance with R.C. 3772.13(C) and (E) and Ohio Adm. Code 3772-5-02(C), to renew their licenses;

WHEREAS, the Key Employees' nonrefundable application fees have been paid, as required by R.C. 3772.13(F) and 3772.17(E) 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(F);

WHEREAS, the Commission's Division of Licensing and Investigations reviewed the Vendor and Key Employee Applications and other materials and information and conducted thorough suitability investigations of Everi Payments, Everi Holdings, and their Key Employees;

WHEREAS, the Division of Licensing and Investigations has filed a report, dated March 9, 2016, captioned *Investigative Report on the Application of Everi Payments Inc. for a Gaming-Related Vendor License* ("Licensing Report");

WHEREAS, the Licensing Report concludes that based upon the investigation, no material derogatory information that adversely impacts upon the suitability of Everi Payments, Everi Holdings, or their Key Employees was uncovered and that Everi Payments and the Key Employees are eligible to be approved for renewal licenses;

WHEREAS, the Division recommends that the Commission renew Everi Payments' gaming-related vendor license, subject to the following conditions:

- (A) Everi Payments and Everi Holdings shall report to the Commission any changes in their management, ownership, or stockholdings, in accordance with Ohio Adm. Code 3772-6-04;
- (B) Everi Payments and Everi Holdings 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) Everi Payments 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. 3772.15(A) and 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) Everi Payments' Compliance Committee shall notify the Commission's Executive Director 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,

and that the Commission renew the Key Employees' key-employee licenses, subject to payment of all required fees; and

WHEREAS, the Commission has reviewed the Licensing Report and considered the matter at its public meeting on March 16, 2016.

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

- (A) Everi Payments and Everi Holdings shall report to the Commission any changes in their management, ownership, or stockholdings, in accordance with Ohio Adm. Code 3772-6-04;
- (B) Everi Payments and Everi Holdings 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) Everi Payments 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. 3772.15(A) and 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) Everi Payments' Compliance Committee shall notify the Commission's Executive Director 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 the Key Employees' Applications are **APPROVED** and their key-employee licenses are **RENEWED** for a period not to exceed three years, effective upon expiration of their previous licenses, subject to continued compliance with R.C. Chapter 3772 and the rules adopted thereunder, including payment of the following fees:

- (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. 3772.15(A) and 3772.17(E) and permitted by 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(E) and Ohio Adm. Code 3772-5-03(C).

BE IT FURTHER RESOLVED, that Resolution 2016-08 does not in any way affect, negate, or otherwise absolve Everi Payments, Everi Holdings, 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 2016-08 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 Everi Payments, Everi Holdings, or their Key Employees under R.C. Chapter 3772 and the rules adopted thereunder.

Adopted: March 16, 2016

Exhibit A
Resolution 2016-08

1. Fred C. Enlow
2. Geoffrey P. Judge
3. Edwin M. Kilburn
4. David J. Lucchese
5. Debra Massing
6. Michael Rumbolz