

OHIO CASINO CONTROL COMMISSION

RESOLUTION 2021-04

CONSIDERATION OF AGS, LLC'S APPLICATION TO RENEW ITS GAMING-RELATED VENDOR LICENSE

WHEREAS, Article XV, Section 6(C) of the Ohio Constitution created the Ohio Casino Control Commission ("Commission") to ensure the integrity of casino gaming;

WHEREAS, R.C. 3772.09 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. 3772.10 requires any gaming-related vendor or key employee seeking licensure under R.C. Chapter 3772 to establish their suitability by clear and convincing evidence;

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

WHEREAS, R.C. 3772.12 and Ohio Adm.Code 3772-6-02 require a gaming-related vendor seeking renewal of a license 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 renew a gaming-related vendor license after the Commission determines that an applicant is eligible for licensure and has paid all applicable fees;

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

- (A) Submission of a true and complete Vendor Application, as required by R.C. 3772.10 and 3772.12 and Ohio Adm.Code 3772-6-02;
- (B) Payment of the nonrefundable application fee of \$10,000 and all fees necessary to cover the costs of the background investigation in excess of the application fee, if any, as required by R.C. 3772.121 and 3772.17 and Ohio Adm.Code 3772-6-03;
- (C) Submission, on a form provided by the Commission, of two sets of the applicant's fingerprints, as required by R.C. 3772.121, if applicable;
- (D) Reimbursement of the costs for the criminal-records check, as required by R.C. 3772.07 and 3772.17, if applicable;

- (E) Not having been convicted of or pled guilty or no contest to a disqualifying offense, as defined and prohibited by R.C. 3772.07 and 3772.10; and
- (F) Otherwise being suitable for licensure, as required by R.C. 3772.10;

WHEREAS, R.C. 3772.03 mandates that the Commission adopt rules prescribing the minimum amount of insurance that must be maintained by gaming-related vendors;

WHEREAS, Ohio Adm.Code 3772-7-0 requires a gaming-related vendor licensee 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, AGS, LLC, submitted a Vendor Application to renew its license and the paid the nonrefundable application fee;

WHEREAS, AGS 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 reflected in the Commission’s adoption of Resolution 2018-05;

WHEREAS, PlayAGS, Inc., and AP Gaming Voteco, LLC, (collectively, “Holding Companies”) submitted information and documentation as holding companies of AGS;

WHEREAS, a key employee is eligible for licensure upon meeting the following criteria:

- (A) Being at least 21 years of age, as required by R.C. 3772.13;
- (B) Submission of a true and complete Key Employee License Application (“Key Application”), as required by R.C. 3772.10 and 3772.13 and Ohio Adm.Code 3772-5-02;
- (C) Submission, on a form provided by the Commission, of two sets of fingerprints and a photograph, as required by R.C. 3772.07 and 3772.13;

- (D) Payment of the nonrefundable application fee of \$2,000 and all fees necessary to cover the cost of the background investigation in excess of the application fee, if any, as required by R.C. 3772.13 and 3772.17 and Ohio Adm.Code 3772-5-03;
- (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) Not having been convicted of or pled guilty or no contest to a disqualifying offense, as defined and prohibited by R.C. 3772.07 and 3772.10; and
- (G) Otherwise being suitable for licensure, as required by R.C. 3772.10;

WHEREAS, the four individuals listed on the attached Exhibit A (“Key Employees”) submitted Key Applications to renew their licenses and their nonrefundable application and criminal-background fees have been paid;

WHEREAS, the Commission’s Division of Licensing and Investigations (“Division”) reviewed the Vendor and Key Applications and other materials and information and conducted thorough suitability investigations of AGS, the Holding Companies, and the Key Employees;

WHEREAS, the Division has filed a report, dated February 10, 2021, captioned *Investigative Report on the Renewal Application of AGS, LLC for a Gaming-Related Vendor License* (“Report”);

WHEREAS, the Report concludes that the Division’s investigations did not uncover any material derogatory information that adversely impacts the suitability of AGS, the Holding Companies, or the Key Employees and that AGS and the Key Employees are eligible for licensure;

WHEREAS, based on this conclusion, the Division recommends that the Commission renew AGS’ and the Key Employees’ licenses; and

WHEREAS, the Commission has reviewed the Report and considered the matter at its public meeting on February 17, 2021.

NOW, THEREFORE, BE IT RESOLVED by the Commission that AGS and the Key Employees are **SUITABLE** and **ELIGIBLE** for licensure.

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

- (1) AGS and the Holding Companies must report to the Commission any changes to their management, ownership, stockholdings, or voting or proxy agreement, as applicable;
- (2) AGS and the Holding Companies must report to the Commission any loans, debt incurred, or any other significant financial matters;
- (3) AGS must pay all fees required by the Commission, including the following:
 - (A) Any cost of the background investigation that exceeded the application fee; and
 - (B) A nonrefundable license fee of \$15,000; and
- (4) PlayAGS' Compliance Committee must notify the Commission's Executive Director no later than 30 days from when the 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 Applications are **APPROVED** and the Key Employees' 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, which are required by R.C. 3772.17 and Ohio Adm.Code 3772-5-03, for each of them:

- (A) The cost of any background investigation that exceeded the application and criminal-background fees; and
- (B) A nonrefundable license fee of \$500.

BE IT FURTHER RESOLVED that Resolution 2021-04 does not in any way affect, negate, or otherwise absolve AGS, the Holding Companies, or the Key Employees from their duties to update information in accordance with Ohio Adm.Code 3772-6-04 and 3772-5-04, as applicable.

BE IT FURTHER RESOLVED that Resolution 2021-04 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 AGS, the Holding Companies, or the Key Employees under R.C. Chapter 3772 and the rules adopted thereunder.

Adopted: February 17, 2021

Exhibit A
Resolution 2021-04

Nicholas Akiona – PlayAGS, Inc.

Daniel Cohen – PlayAGS, Inc.

Victor Gallo – PlayAGS, Inc.

David Lopez – PlayAGS, Inc.