

OHIO CASINO CONTROL COMMISSION

RESOLUTION 2012-53

CONSIDERATION OF THE APPLICATION OF MULTIMEDIA GAMES 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 A.C. 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 A.C. 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 A.C. 3772-6-02(A);
- (B) Payment of the nonrefundable application fee of \$10,000.00, as required by R.C. 3772.17(C) and A.C. 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 A.C. 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, on or about December 19, 2011, Multimedia Games Inc. (“Multimedia”) submitted an application for licensure as a gaming-related vendor to the Commission in accordance with R.C. 3772.12(A) and A.C. 3772-6-02(A);

WHEREAS, Multimedia paid the nonrefundable application fee, as required by R.C. 3772.17(C) and A.C. 3772-6-03(A);

WHEREAS, Multimedia Games Holding Company Inc. (“Holding”), the ultimate parent company, submitted the required information and documentation as a holding company of Multimedia to the Commission;

WHEREAS, Spectrum Gaming Group (“Spectrum”) has been appointed by the Commission as its agent to assist the Commission in the conduct of suitability investigations;

WHEREAS, Spectrum reviewed the submitted gaming-related vendor application, materials and information, and conducted thorough suitability investigations of Multimedia and Holding;

WHEREAS, Spectrum has filed a report with the Commission dated May 7, 2012, captioned *In the Matter of the Application of Multimedia Games Inc. for a Gaming-Related Vendor License* (“Report”);

WHEREAS, Spectrum’s Report concludes that based upon its investigation no derogatory information that adversely impacts upon the suitability of Multimedia or Holding was uncovered and that Multimedia is qualified to be approved as a gaming-related vendor subject to certain conditions;

WHEREAS, the Commission’s Division of Licensing and Investigation has reviewed the Spectrum Report, the Multimedia and Holding license applications, and the certifications of the following institutional investors: BlackRock, Inc.; Epoch Investment Partners, Inc.; and The Baupost Group, L.L.C.;

WHEREAS, the Commission’s Division of Licensing and Investigation has prepared a report to the members of the Commission dated May 8, 2012, captioned *Report of the Division of Licensing and Investigation on the Application of Multimedia Games Inc.* (“Licensing Report”) recommending that the Commission grant a gaming-related vendor license to Multimedia subject to the following conditions:

- (A) Multimedia and Holding shall report any changes in their management, ownership, or stockholdings to the Commission in accordance with A.C. 3772-6-04;

- (B) Multimedia and Holding shall report any loans, debt incurred, or any other significant financial matters to the Commission in accordance with A.C. 3772-6-04;
- (C) The key employees, provisionally licensed through Resolution 2012-52, shall continue to cooperate through the conclusion of their probity investigations;
- (D) Multimedia 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 A.C. 3772-6-03(A), as required by R.C. 3772.17(C) and A.C. 3772-6-03(B); and
 - (2) A nonrefundable license fee of \$15,000.00, as required by R.C. 3772.121(A)(2) and 3772.17(C) and A.C. 3772-6-03(C);
- (E) Holding'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;
- (F) Multimedia shall provide notice (within 10 days) to the Commission in the event that the Declaration of Trust of the PLDW Statutory Trust terminates or Dolphin Limited Partnership III LP's and/or its affiliates' ownership of Holding changes; and
- (G) Multimedia shall obtain a notarized letter from Dimensional Fund Advisors attesting to the fact that Dimensional Fund Advisors' ownership of Holding is below 5 percent;

WHEREAS, the Commission has considered the Spectrum Report and the Licensing Report and heard from representatives of Multimedia at its public meeting on May 9, 2012.

NOW, THEREFORE, BE IT RESOLVED, by the Commission that Multimedia's application for licensure is **APPROVED** and Multimedia is hereby **LICENSED** for a period not to exceed 3 years, effective today, as a gaming-related vendor subject to continued compliance with R.C. Chapter 3772 and the rules adopted thereunder and the following conditions:

- (A) Multimedia and Holding shall report any changes in their management, ownership, or stockholdings to the Commission in accordance with A.C. 3772-6-04;

- (B) Multimedia and Holding shall report any loans, debt incurred, or any other significant financial matters to the Commission in accordance with A.C. 3772-6-04;
- (C) The key employees, provisionally licensed through Resolution 2012-52, shall continue to cooperate through the conclusion of their probity investigations;
- (D) Multimedia 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 A.C. 3772-6-03(A), as required by R.C. 3772.17(C) and A.C. 3772-6-03(B); and
 - (2) A nonrefundable license fee of \$15,000.00, as required by R.C. 3772.121(A)(2) and 3772.17(C) and A.C. 3772-6-03(C);
- (E) Holding'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;
- (F) Multimedia shall provide notice (within 10 days) to the Commission in the event that the Declaration of Trust of the PLDW Statutory Trust terminates or Dolphin Limited Partnership III LP's and/or its affiliates' ownership of Holding changes; and
- (G) Multimedia shall obtain a notarized letter from Dimensional Fund Advisors attesting to the fact that Dimensional Fund Advisors' ownership of Holding is below 5 percent.

BE IT FURTHER RESOLVED, that Resolution 2012-53 does not in any way affect, negate, or otherwise absolve Multimedia or Holding from its duties to update information in accordance with A.C. 3772-6-04 and A.C. 3772-5-04.

BE IT FURTHER RESOLVED, that Resolution 2012-53 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 Multimedia or Holding under R.C. Chapter 3772 and the rules adopted thereunder.

Adopted: May 9, 2012