

OHIO CASINO CONTROL COMMISSION

RESOLUTION 2012-88

CONSIDERATION OF THE APPLICATIONS OF TCS JOHN HUXLEY AMERICA INC. AND TCS JOHN HUXLEY EUROPE LTD. FOR GAMING-RELATED VENDOR LICENSES

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 from conducting or participating in conducting casino gaming without first being licensed by the Commission;

WHEREAS, R.C. 3772.091(A) prohibits the transference of any license issued under R.C. Chapter 3772 and requires the issuance of a new license whenever there is new majority ownership interest or control of a licensee.

WHEREAS, R.C. 3772.10(B) requires, among others, 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;

WHEREAS, R.C. 3772.121 and Ohio Adm. Code 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(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;

- (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 January 12, 2012, TCS John Huxley America Inc. ("Huxley America") and TCS John Huxley Europe Ltd. ("Huxley Europe") submitted applications for licensure as gaming-related vendors to the Commission in accordance with R.C. 3772.12(A) and Ohio Adm. Code 3772-6-02(A);

WHEREAS, Huxley America and Huxley Europe paid the nonrefundable application and license fees, as required by R.C. 3772.17(D) and Ohio Adm. Code 3772-6-03(A) and (C);

WHEREAS, Victoria Holdings Limited ("Victoria"), Pata Pata AB ("Pata Pata") and Crib Goch Investment Limited ("Crib Goch") submitted to the Commission the required information and documentation as holding companies of Huxley America and Huxley Europe;

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 applications and materials and information and conducted thorough suitability investigations of Huxley America, Huxley Europe, Victoria, Pata Pata, and Crib Goch and their respective key employees;

WHEREAS, Spectrum filed a report with the Commission dated May 7, 2012, captioned *In the Matter of the Applications of TCS John Huxley America Inc. and TCS John Huxley Europe Ltd. for Gaming-Related Vendor Licenses* ("Report");

WHEREAS, Spectrum's Report concluded that based upon its investigation no derogatory information that adversely impacts upon the suitability of Huxley America, Huxley Europe, Victoria, Pata Pata, Crib Goch, or their key employees was uncovered and that Huxley America and Huxley Europe are qualified to be approved as gaming-related vendors subject to certain conditions;

WHEREAS, the Commission's Division of Licensing and Investigation reviewed the Spectrum Report, the Huxley America and Huxley Europe license applications, the information and materials submitted by Victoria, Pata Pata, and Crib Goch, and their respective key employees' license applications;

WHEREAS, the Commission's Division of Licensing and Investigation prepared a report to the members of the Commission, dated May 7, 2012, captioned *Report of the Division of Licensing and Investigation on the Applications of TCS John Huxley America Inc. and TCS John Huxley Europe Ltd.* ("Licensing Report"), recommending that the Commission grant gaming-related vendor licenses to Huxley America and Huxley Europe subject to certain conditions.

WHEREAS, on May 9, 2012, the Commission considered the Spectrum Report and the Licensing Report and, subject to certain conditions, approved Huxley America and Huxley Europe's license applications, as reflected by Resolution 2012-48.

WHEREAS, on June 6, 2012, Huxley America and Huxley Europe submitted to the Commission written notification detailing proposed changes to their ownership and control structures. The ownership and control structure at the time of licensure and notification is attached as Exhibit A and the new ownership and control structure is attached as Exhibit B.

WHEREAS, because the proposed changes to their ownership and control structures would, upon closing of the entire transfer, constitute new majority ownership interest or control of the licensees, R.C. 3772.091(A) requires Huxley America and Huxley Europe to seek and obtain new gaming-related vendor licenses.

WHEREAS, Huxley America and Huxley Europe sought new gaming-related vendor licenses through their June 6 Notification and, in so doing, requested incorporation of their Notification (and subsequent closing documents) into their previously filed applications and background investigations;

WHEREAS, on September 20, 2012, Huxley America and Huxley Europe notified the Commission that the two-part transfer had been completed and enclosed the closing documents—i.e., Deed of Gift, attached as Exhibit C; and Pata Pata Share Register, attached as Exhibit D.

WHEREAS, on November 9, 2012, Huxley America and Huxley Europe reaffirmed their desire to obtain new gaming-related vendor licenses and their request to incorporate their June 6 Notification (and subsequent closing documents) as part of their previously filed applications and background investigations.

WHEREAS, the Commission's Division of Licensing and Investigation prepared a memorandum to the members of the Commission, dated November 9, 2012, captioned *Recommendation to Grant a Gaming-Related Vendor License to TCS John Huxley America Inc. and TCS John Huxley Europe Ltd.* ("Licensing Memo"),

recommending that the Commission grant new gaming-related vendor licenses to Huxley America and Huxley Europe, subject to the following conditions:

- (A) Huxley America and Huxley Europe shall report any changes in their management, ownership, or stockholdings to the Commission in accordance with Ohio Adm. Code 3772-6-04;
- (B) Huxley America and Huxley Europe shall report any loans, debt incurred, or any other significant financial matters to the Commission in accordance with Ohio Adm. Code 3772-6-04; and
- (C) Huxley America and Huxley Europe 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 Ohio Adm. Code 3772-6-03(B), if applicable; and
 - (2) A nonrefundable license fee of \$15,000.00 per license, as required by R.C. 3772.121(A)(2) and 3772.17(D) and Ohio Adm. Code 3772-6-03(C).

WHEREAS, the Commission has considered the Spectrum Report, the Licensing Report, the Licensing Memo, and all information and materials provided by Huxley America, Huxley Europe, Victoria, Pata Pata, and Crib Goch and heard from representatives of Huxley America and Huxley Europe at its public meeting on November 14, 2012.

NOW, THEREFORE, BE IT RESOLVED, by the Commission that Huxley America and Huxley Europe's June 6 Notification is incorporated into their previously filed license applications and previously conducted background investigations.

BE IT FURTHER RESOLVED, that Huxley America and Huxley Europe's Gaming-Related Vendor License Applications are **APPROVED** and Huxley America and Huxley Europe are hereby **LICENSED** for a period not to exceed three years, effective today, as gaming-related vendors subject to continued compliance with R.C. Chapter 3772 and the rules adopted thereunder and the following conditions:

- (A) Huxley America and Huxley Europe shall report any changes in their management, ownership, or stockholdings to the Commission in accordance with Ohio Adm. Code 3772-6-04;
- (B) Huxley America and Huxley Europe shall report any loans, debt incurred, or any other significant financial matters to the Commission in accordance with Ohio Adm. Code 3772-6-04;

- (C) Huxley America and Huxley Europe 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 Ohio Adm. Code 3772-6-03(B), if applicable; and
 - (2) A nonrefundable license fee of \$15,000.00 per license, as required by R.C. 3772.121(A)(2) and 3772.17(D) and Ohio Adm. Code 3772-6-03(C); and
- (D) The 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 2012-88 does not in any way affect, negate, or otherwise absolve Huxley America, Huxley Europe, Victoria, Pata Pata, Crib Goch, or their respective key employees from their duties to update information in accordance with Ohio Adm. Code 3772-6-04 and Ohio Adm. Code 3772-5-04.

BE IT FURTHER RESOLVED, that Resolution 2012-88 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 Huxley America, Huxley Europe, Victoria, Pata Pata, Crib Goch, or their respective key employees under R.C. Chapter 3772 and the rules adopted thereunder.

Adopted: