

OHIO CASINO CONTROL COMMISSION

RESOLUTION 2017-19

**CONSIDERATION OF THE APPLICATIONS OF AINSWORTH GAME TECHNOLOGY LIMITED AND AINSWORTH GAME TECHNOLOGY, INC. FOR GAMING-RELATED VENDOR LICENSES**

**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. 3772.10(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 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 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 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, 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 3772.17(D), 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**, Ainsworth Game Technology Limited (AGT Ltd.) and Ainsworth Game Technology, Inc., (AGT Inc.) submitted their Vendor Applications in accordance with R.C. 3772.12(A) and Ohio Adm. Code 3772-6-02(A);

**WHEREAS**, AGT Ltd. and AGT Inc. each paid the nonrefundable application fee, as required by R.C. 3772.17(D) and Ohio Adm. Code 3772-6-03(A);

**WHEREAS**, AGT Ltd. and AGT Inc. submitted information and materials necessary to demonstrate that they have obtained and maintain 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 Resolutions 2012-91, 2014-09, and 2017-10;

**WHEREAS**, Novomatic AG, Novo Invest GmbH, and Gryphon Invest AG (collectively, "Holding Companies") submitted information and documentation as post-transaction holding companies of AGT Ltd. and AGT Inc.;

**WHEREAS**, R.C. 3772.03(D) and Ohio Adm. Code 3772-5-02(F) require any key employee seeking licensure to:

- (A) Be at least 21 years of age, as required by R.C. 3772.13(D);
- (B) Submit a true and complete Key Employee License Application (“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. 3772.07 and 3772.13(F);
- (D) Payment of the nonrefundable application fee of \$2,000.00, as required by R.C. 3772.13(F) 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 R.C. 3772.17(E) and 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 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 AGT Ltd., AGT Inc., and the Holding Companies who appear on the attached list marked Exhibit A (“Key Employees”) submitted initial Key Employee Applications to the Commission in accordance with R.C. 3772.13(E) and Ohio Adm. Code 3772-5-02(A);

**WHEREAS**, each Key Employee’s nonrefundable application fee has been paid, as required by R.C. 3772.13(F) and 3772.17(E) and Ohio Adm. Code 3772-5-03(A);

**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 AGT Ltd., AGT Inc., the Holding Companies, and the Key Employees;

**WHEREAS**, the Division has filed a report, dated December 6, 2017, captioned *Investigative Report on the Applications of Ainsworth Game Technology, Inc. and Ainsworth Game Technology Limited for Gaming-Related Vendor Licenses* (“Report”);

**WHEREAS**, the Report concludes that based upon the investigation, no material derogatory information that adversely impacts upon the suitability of AGT Ltd., AGT Inc., the Holding Companies, or the Key Employees was uncovered and that AGT Ltd., AGT Inc., and the Key Employees are eligible to be approved for licensure;

**WHEREAS**, the Division recommends that the Commission grant AGT Ltd.'s and AGT Inc.'s new gaming-related vendor licenses, subject to the following conditions:

- (A) As a condition precedent to licensure, Novomatic and AGT Ltd. shall close the transaction related to the proposed Share Sale and Purchase Agreement no later than January 31, 2018, without any material changes to the terms or documentation provided in support thereof, as well as provide the Commission with executed copies of all related documents within 10 days of their execution; if the transaction closes with one or more material changes or does not close by January 31, 2018, approval thereof is null and void, unless each change or an extension is approved by the Commission, as applicable;
- (B) AGT Ltd., AGT Inc., and the Holding Companies shall report to the Commission any changes to their management, ownership, or stockholdings, in accordance with Ohio Adm. Code 3772-6-04;
- (C) AGT Ltd., AGT Inc., and the Holding Companies 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) AGT Ltd. and AGT Inc. shall pay all fees required by the Commission, including the following:
  - (1) The cost of either 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 per gaming-related vendor license, as required by R.C. 3772.121(A)(2) and 3772.17(D) and Ohio Adm. Code 3772-6-03(C); and
- (E) AGT Ltd.'s and Novomatic's Compliance Committees shall notify the Commission's Executive Director no later than 30 days from the date in which either committee conducts any due diligence efforts, takes any action, or makes any recommendations concerning current or future business,

and that the Commission grant the Key Employees' initial key-employee licenses;  
and

**WHEREAS**, the Commission has reviewed the Report and considered the matter at its public meeting on December 13, 2017.

**NOW, THEREFORE, BE IT RESOLVED**, by the Commission that AGT Ltd.'s and AGT Inc.'s Vendor Applications are **APPROVED** and their new gaming-related vendor licenses are **GRANTED** for a period not to exceed three years, 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, Novomatic and AGT Ltd. shall close the transaction related to the proposed Share Sale and Purchase Agreement no later than January 31, 2018, without any material changes to the terms or documentation provided in support thereof, as well as provide the Commission with executed copies of all related documents within 10 days of their execution; if the transaction closes with one or more material changes or does not close by January 31, 2018, approval thereof is null and void, unless each change or an extension is approved by the Commission, as applicable;
- (B) AGT Ltd., AGT Inc., and the Holding Companies shall report to the Commission any changes to their management, ownership, or stockholdings, in accordance with Ohio Adm. Code 3772-6-04;
- (C) AGT Ltd., AGT Inc., and the Holding Companies 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) AGT Ltd. and AGT Inc. shall pay all fees required by the Commission, including the following:
  - (1) The cost of either 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 per gaming-related vendor license, as required by R.C. 3772.121(A)(2) and 3772.17(D) and Ohio Adm. Code 3772-6-03(C); and
- (E) AGT Ltd.'s and Novomatic's Compliance Committees shall notify the Commission's Executive Director no later than 30 days from the date in which either committee conducts any due diligence efforts, takes any action, or makes any recommendations concerning current or future business.

**BE IT FURTHER RESOLVED**, by the Commission that the Key Employees' Key-Employee Applications are **APPROVED** and their initial key-employee licenses are **GRANTED** for a period not to exceed 3 years, 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 exceeds the application fee set forth by Ohio Adm. Code 3772-5-03(A), as required by R.C. 3772.17(E) and 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 2017-19 does not in any way affect, negate, or otherwise absolve AGT Ltd., AGT Inc., the Holding Companies, 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 2017-19 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 AGT Ltd., AGT Inc., the Holding Companies, or their Key Employees under R.C. Chapter 3772 and the rules adopted thereunder.

Adopted: December 13, 2017

**Exhibit A**  
**Resolution 2017-19**

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