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File No. SD-015

BEFORE THE NEVADA GAMING COMMISSION AND
THE STATE GAMING CONTROL BOARD

In the Matter of
BALLY MANUFACTURING CORPORATION
(Registration)

ORDER OF REGISTRATION

THIS MATTER came on regularly for hearing before the State Gaming Control Board at Carson City on March 12, 1975, March 13, 1975 and March 18, 1975 and before the Nevada Gaming Commission at Carson City on March 20, 1975 and March 21, 1975; and

THE APPLICANT having presented evidence and made arguments; and

NO PERSON having appeared in opposition to the granting of the application as aforesaid; and

ON THE BASIS of the evidence submitted by the State Gaming Control Board and by the applicant:

IT IS HEREBY ORDERED BY THE NEVADA GAMING COMMISSION, UPON CONSIDERATION OF THE RECOMMENDATIONS OF THE STATE GAMING CONTROL BOARD:

1. THAT the application, as supplemented and amended, of Bally Manufacturing Corporation for registration as a publicly traded corporation and a finding of suitability to acquire all the stock of Bally Distributing Company, a corporate licensee, be, and the same hereby is, accepted as filed.

2. THAT Bally Manufacturing Corporation be, and it hereby is, registered as a publicly traded corporation and, pursuant to NRS 463.625, Bally Manufacturing Corporation be, and it hereby is, exempted from compliance with NRS 463.585 to 463.615, inclusive, and Regulation 15, and directed instead to comply with NRS 463.635

pm

1 through NRS 463.641, inclusive, and Regulation 16.

2 3. THAT Bally Manufacturing Corporation be, and it hereby
3 is, found suitable to acquire ^{29 1/2 %} ~~all~~ of the outstanding capital stock
4 of Bally Distributing Company, a corporate licensee.

5 4. THAT the registration of Bally Manufacturing Corporation
6 as a publicly traded corporation be, and it hereby is, declared
7 to be probationary for three (3) consecutive one year periods.

8 5. THAT the acquisition of stock permitted by paragraph
9 3 of this Order be, and it hereby is, expressly conditioned on
10 the prior approval by the State Gaming Control Board of the form
11 and substance of the acquisition documents.

12 6. THAT the continued registration of Bally Manufacturing
13 Corporation as a publicly traded corporation be, and it hereby
14 is, expressly conditioned upon the full, faithful and due performance
15 and observance of each of the following conditions:

16 a. That Bally Manufacturing Corporation shall maintain
17 and fund a bank account with a bank, and upon terms and conditions,
18 satisfactory to the Board. Without limiting the generality of the
19 foregoing, the Board shall have the right, without notice, to draw
20 upon the funds of said account for the payment of the costs and
21 expenses incurred by the Board and staff in a surveillance, monitor-
22 ing and investigative review of all aspects of Bally Manufacturing
23 Corporation's corporate and business affairs, associations,
24 affiliations, and compliance with all applicable foreign, federal,
25 state and local laws.

26 b. That Bally Manufacturing Corporation and its directors
27 and principal officers shall maintain in full force and effect
28 a system of internal controls in form and substance satisfactory
29 to the Board. The initial system of internal controls shall be
30 accomplished in accordance with the procedures set forth in
31 Exhibit "A", which is attached to this order and incorporated by
32 reference herein.

1 c. That there shall at no time be any direct or indirect
2 business transactions of any nature whatsoever between Bally
3 Manufacturing Corporation and Gerardo Catena, Dino Cellini, Abe
4 Green, Irving Kaye (except with respect to his partnership interest
5 in 2640 West Belmont Partnership, an Illinois partnership, and
6 except with respect to matters relating to his ownership of the
7 stock of Bally Manufacturing Corporation as reflected in that
8 certain "Order Denying Application for State Gaming License" of
9 even date herewith), or any of them, or any corporation or other
10 business entity controlled by such persons or any of them or in
11 which they or any of them own beneficially a 5% or greater
12 interest of any class of voting securities.

13 d. That there shall at no time be any direct or indirect
14 business transactions of any nature whatsoever between Bally Manu-
15 facturing Corporation and Alexander Wilms after nine (9) months
16 from date, save and except only that said Alexander Wilms may
17 continue as a stockholder of Bally Manufacturing Corporation.
18 Notwithstanding the foregoing, Bally Manufacturing Corporation
19 may sell or lease equipment to Belgian route operations in which
20 Mr. Wilms may have an interest for two years from date hereof.

21 e. Except as provided in paragraph 6(d), no officer,
22 director, or controlling stockholder of Bally Manufacturing
23 Corporation or its subsidiaries shall have any interest in the
24 operation of any gambling game or device outside the State of
25 Nevada or receive a percentage of the profit from any such operation
26 without the prior express approval of the Nevada Gaming Commission.
27 The above language, however, does not prohibit the Bally Manufactur-
28 ing Corporation or its subsidiaries from engaging in the direct
29 sale or lease of slot machines for a fixed rental, where legal.

30 f. Bally Manufacturing Corporation shall not send to
31 the holders of any class of its equity securities a proxy statement
32 of the type referred to in Regulation 14A of the United States

1 Securities and Exchange Commission until it shall have first been
2 approved by the Commission. A proxy statement shall be deemed to
3 have been approved if it has been filed with the Commission for
4 not less than ten (10) days and the Commission shall not have
5 issued a stop order during such period. The Chairman of the
6 State Gaming Control Board is hereby delegated the power to
7 accelerate such time period.

8 g. That Bally Manufacturing Corporation shall furnish
9 the State Gaming Control Board with copies of the minutes of all
10 meetings of the Board of Directors of Bally Manufacturing Corpora-
11 tion or the executive committee thereof within fifteen (15) days
12 after the date of the meeting for which the minutes are taken.

13 7. THAT the continued registration of Bally Manufacturing
14 Corporation as a publicly traded corporation be and it hereby is
15 expressly conditioned upon the following: Bally Manufacturing
16 Corporation shall cease all participations in gaming outside
17 the United States on or before September 20, 1975, (save and
18 except the leasing of slot machines on a fixed rental basis)
19 and shall not during said six (6) month period expand, extend
20 or increase any involvement with gaming outside of the State
21 of Nevada.

22 7A. THAT the continued registration of Bally Manufacturing
23 Corporation as a publicly traded corporation be, and it hereby is,
24 conditioned as follows: Bally Manufacturing Corporation shall,
25 within sixty (60) days after its common stock reaches a market
26 value of \$40.00 per share (as adjusted for stock splits etc.),
27 cause to be paid and retired the convertible notes dated
28 January 9, 1974 payable to the Central States, Southeast and
29 Southwest Areas Pension Fund.

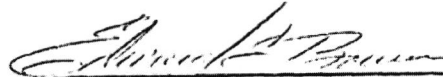
30 8. THAT the registration of Bally Manufacturing Corporation
31 as a publicly traded corporation as set forth in Paragraph 1 hereof
32 and the permission for Bally Manufacturing Corporation to acquire

29 1/2
1 ~~all~~ the stock of Bally Distributing Company as set forth in
2 Paragraph 2 hereof shall not be effective unless and until: All
3 business relationships between Bally Manufacturing Corporation
4 and its subsidiaries with Louis Boasberg and any business entity
5 controlling, controlled by, or under common control with, said
6 Louis Boasberg is completely terminated, save and except only
7 the receipt of funds owed to Bally Manufacturing Corporation
8 for past transactions.

9 9. THAT the Board of Directors of Bally Manufacturing
10 Corporation shall use its best efforts to have elected to the Board
11 of Directors of Bally Manufacturing Corporation a bona fide citizen
12 and resident of the State of Nevada who is fully familiar with the
13 scope, nature and purposes of the Nevada Gaming Control Act.

14 Entered at Carson City as of the 20th day of March, 1975.

15 FOR THE COMMISSION:

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18 EDWARD E. BOWERS,
Executive Secretary

19 Service by copy of the foregoing is admitted this 21st day
20 of March, 1975.

21
22 

23 McDonald, Carano, Wilson, Bergin
and Bible