

BEFORE THE NEVADA GAMING COMMISSION
AND THE STATE GAMING CONTROL BOARD

In the Matter of
BALLY MANUFACTURING CORPORATION
(Public Offering)

ORDER

THIS MATTER came on regularly for hearing before the State Gaming Control Board at Carson City, Nevada on September 13, 1978, and before the Nevada Gaming Commission at Las Vegas, Nevada on September 18, 1978, and

THE APPLICANT having appeared, submitted evidence and made arguments; and

No person having appeared in opposition to the granting of the application:

IT IS HEREBY ORDERED BY THE NEVADA GAMING COMMISSION UPON THE RECOMMENDATION OF THE STATE GAMING CONTROL BOARD:

1. THAT the application of Bally Manufacturing Corporation for approval of a public offering of Convertible Subordinated Debentures due 1998 be, and hereby is, accepted as filed.

2. THAT a public offering not to exceed \$50,000,000 of Convertible Subordinated Debentures due 1998, and the issuance of common stock upon conversion is hereby approved subject to the following conditions:

a. That until the registered Convertible Subordinated Debentures are sold to the underwriters, Bally Manufacturing Corporation shall keep the Securities Division of the Gaming Control Board continuously and promptly informed as to the progress of the offering.

b. That the power to issue interlocutory stop orders is hereby reserved by the Commission, which stop orders shall be effective until either (i) this matter is again brought before the Commission for decision or (ii) a stop order is lifted by the Commission upon terms and conditions satisfactory to the Commission.

3. The Commission hereby delegates to the Chairman of the State Gaming Control Board the power to issue interlocutory stop orders for good cause which shall remain in effect until either or both of the conditions set forth in Paragraph 2 above have been satisfied.

4. THAT the Convertible Subordinated Debentures registered by this order are equity securities as defined in NRS 463.484 and as such Bally Manufacturing Corporation is hereby directed to file by December 31, 1978 with the Securities Division a list of debenture holders and thereafter to maintain a list of debenture holders in accordance with the requirements of NRS 463.635.

5. THAT the approval contained within this order should not be construed in any regard as an approval of Bally Manufacturing Corporation or any of its affiliated or