

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

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In the Matter of

ALLIANCE GAMING CORPORATION

(Registration) \_\_\_\_\_

NINTH REVISED ORDER OF REGISTRATION

THIS MATTER came on regularly for hearing before the State Gaming Control Board ("Board") on October 11, 1995, at Carson City, Nevada, and specially for hearing before the Nevada Gaming Commission ("Commission") on October 16, 1995, at Las Vegas, Nevada; and

THE BOARD AND COMMISSION having considered all information pertinent hereto;

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

1. THAT the following applications, as amended and supplemented, have been filed:

a. For approval of an acquisition of control by Alliance Gaming Corporation and BGII Acquisition Corp. ("BAC") of Bally Gaming International, Inc. ("BGII"), pursuant to a tender offer ("Tender Offer") and consent solicitation ("Consent Solicitation"), as more fully described in the Schedule 14D-1 and Schedule 13D, and Schedule 14A, as amended and supplemented, filed with the United States Securities and Exchange Commission ("SEC") by BAC;

- b. For findings of suitability of Alliance Gaming Corporation and BAC as controlling shareholders of BGII;
- c. For a finding of suitability of Alliance Gaming Corporation as the sole shareholder of BAC;
- d. For registration of BAC as an intermediary company;
- e. For a finding of suitability of BAC to own more than 10% of the voting securities of BGII;
- f. For approval of Alliance Gaming Corporation to pledge the equity securities of APT Games, Inc., Casino Electronics, Inc. and BAC to Foothill Capital Corporation ("Foothill"), Cerberus Partners, L.P. ("Cerberus"), and Canpartners Investments IV, L.L.C. ("Canpartners"); and to enter into agreements with Foothill, Cerberus and Canpartners to place restrictions upon the transfer of, and agree not to encumber, the equity securities of APT Games, Inc.; Casino Electronics, Inc., and BAC;
- g. For approval of APT Games, Inc., to pledge the equity securities of United Coin Machine Co., APT Coin Machines, Inc., Mizpah Investments, Inc., Plantation Investments, Inc., Trolley Stop, Inc., WCAL, Inc. and Slot Palace, Inc. to Foothill, Cerberus and Canpartners and to enter into agreements with Foothill, Cerberus and Canpartners to place restrictions upon the transfer of, and agree not to encumber, the equity securities of United Coin Machine Co., APT Coin Machines, Inc. Mizpah Investments, Inc., Plantation Investments, Inc., Trolley Stop, Inc., WCAL, Inc. and Slot Palace, Inc.
- h. For approval of WCAL, Inc., to pledge the equity securities of FCJI, Inc. to Foothill, Cerberus and Canpartners and to enter into agreements with Foothill, Cerberus and Canpartners to place restrictions upon the transfer of, and agree not to encumber, the equity securities of FCJI, Inc.;
- i. For approval of BAC, APT Games, Inc., WCAL, Inc., Casino Electronics, Inc., United Coin Machine Co., APT Coin Machines, Inc., Mizpah Investments, Inc., Plantation

Investments, Inc., Trolley Stop, Inc., FCJI, Inc. and Slot Palace, Inc. to issue guarantees to Foothill, Cerberus and Canpartners; and

j. For an amendment to Alliance Gaming Corporation's Eighth Revised Order of Registration.

2. THAT the Eighth Revised Order of Registration of Alliance Gaming Corporation dated February 23, 1995, is hereby amended and restated, in its entirety, by this Ninth Revised Order of Registration.

3. THAT Alliance Gaming Corporation is registered as a publicly traded corporation and found suitable as the sole stockholder of BAC, APT Games, Inc. and Casino Electronics, Inc.

4. THAT Alliance Gaming Corporation and BAC are each granted approval, pursuant to NGC Regulation 16.200, to acquire control of BGII, pursuant to the Tender Offer and Consent Solicitation.

5. THAT Alliance Gaming Corporation is found suitable as a controlling shareholder of BGII.

6. THAT BAC is registered as an intermediary company, found suitable as a controlling shareholder of BGII and found suitable to own more than 10% of the voting securities of BGII.

7. THAT APT Games, Inc. is registered as an intermediary company and found suitable as the sole stockholder of United Coin Machine Co., APT Coin Machines, Inc., Mizpah Investments, Inc., Plantation Investments, Inc., Trolley Stop, Inc., WCAL, Inc. and Slot Palace, Inc.

8. THAT United Coin Machine Co. is licensed as a manufacturer, distributor and an operator of a slot machine route, and to conduct nonrestricted gaming operations (slot machines only) at the following locations, subject to such conditions or limitations as may be imposed by the Commission:

Miss Lucy's Gambling Hall & Saloon, 129 North Third Street, Las Vegas.

9. THAT APT Coin Machines, Inc. is licensed as an operator of a slot machine route, subject to such conditions or limitations as may be imposed by the Commission.

10. THAT Plantation Investments, Inc., dba Plantation Station Gambling Hall, is licensed to conduct nonrestricted gaming operations, including a sports pool, at 2121 Victorian Avenue, Sparks, subject to such conditions or limitations as may be imposed by the Commission.

11. THAT Trolley Stop, Inc., dba Trolley Stop Casino, is licensed to conduct nonrestricted gaming operations (slot machines only) at 207 North Third Street, Las Vegas, subject to such conditions or limitations as may be imposed by the Commission.

12. THAT Mizpah Investments, Inc., dba Mizpah Casino, is licensed to conduct nonrestricted gaming operations (slot machines only) at 100 Main Street, Tonopah, subject to such conditions or limitations as may be imposed by the Commission.

13. THAT WCAL, Inc. is registered as an intermediary company and found suitable as the sole stockholder of FCJI, Inc.

14. THAT FCJI, INC. dba One-Eyed Jacks #4, is licensed to conduct nonrestricted gaming operations (slot machines only) at 2823 North Green Valley Parkway, #D, Henderson, subject to such conditions or limitations as may be imposed by the Commission.

15. THAT FCJI, Inc., dba JJ's Sierra Saloon, is licensed to conduct nonrestricted gaming operations (slot machines only) at 4350 North Las Vegas Boulevard, Las Vegas, subject to such conditions or limitations as may be imposed by the Commission.

16. THAT Slot Palace, Inc., db at Quality Inn & Casino, is licensed to conduct nonrestricted gaming operations at 377 East Flamingo Road, Las Vegas, subject to such conditions or limitations as may be imposed by the Commission.

17. THAT Casino Electronics, Inc. is licensed as an operator of a slot machine route and as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission.

18. THAT Alliance Gaming Corporation is granted approval, pursuant to NRS 465.510(1) and NGC Regulations 8.030 and 15.585.7-2, as appropriate, to pledge the equity securities of APT Games, Inc., Casino Electronics, Inc., and BAC to Foothill, Cerberus, and Canpartners, provided that:

a. A copy of the fully executed Pledge Agreement in the form of a draft dated October 10, 1995, must be filed with the Board within five business days after the effective date of this Order;

b. The prior approval of the Commission must be obtained before any foreclosure or transfer of any possessory security interest in such securities (except back to Alliance Gaming Corporation) and before any other resort to the collateral or other enforcement of a security interest in such securities may occur; and

c. Pursuant to NGC Regulations 15.510.1-3 and 8.030(4)(a), the stock certificates of APT Games, Inc., Casino Electronics, Inc., and BAC evidencing said pledge of equity securities must at all times remain physically within the State of Nevada at a location designated to the Board and must be made available for inspection by agents of the Board immediately upon request during normal business hours.

19. THAT Alliance Gaming Corporation is granted approval, pursuant to NGC Regulations 15.510.1-4 and 15.585.7-3, as appropriate, to enter into agreements with Foothill, Cerberus and Canpartners to place restrictions upon the transfer of, and agree not to encumber, the equity securities of APT Games, Inc., Casino Electronics, Inc., and BAC.

20. THAT APT Games, Inc. is granted approval, pursuant to NRS 465.510(1) and NGC Regulations 8.030 and 15.585.7-2, as appropriate, to pledge the equity securities of United Coin Machine Co., APT Coin Machines, Inc., Mizpah Investments, Inc., Plantation

Investments, Inc., Trolley Stop, Inc., WCAL, Inc., and Slot Palace, Inc. to Foothill, Cerberus and Canpartners provided that:

a. A copy of the fully executed Pledge Agreement in the form of a draft dated October 10, 1995, must be filed with the Board within five business days after the effective date of this Order;

b. The prior approval of the Commission must be obtained before any foreclosure or transfer of any possessory security interest in such securities (except back to APT Games, Inc.) and before any other resort to the collateral or other enforcement of a security interest in such securities, may occur: and

c. Pursuant to NGC Regulations 15.510.1-3 and 8.030(4)(a), the stock certificates of United Coin Machine Co., APT Coin Machines, Inc., Mizpah Investments, Inc., Plantation Investments, Inc., Trolley Stop, Inc., WCAL, Inc., and Slot Palace, Inc. evidencing said pledge of equity securities must at all times remain physically within the State of Nevada at a location designated to the Board and must be made available for inspection by agents of the Board immediately upon request during normal business hours.

21. THAT APT Games, Inc. is granted approval, pursuant to NGC Regulations 15.510.1-4 and 15.585.7-3, as appropriate, to enter into agreements with Foothill, Cerberus and Canpartners to place restrictions upon the transfer of, and agree not to encumber, the equity securities of United Coin Machine Co., APT Coin Machines, Inc., Mizpah Investments, Inc., Plantation Investments, Inc., Trolley Stop, Inc., WCAL, Inc., and Slot Palace, Inc.

22. THAT WCAL, Inc. is granted approval, pursuant to NRS 463.510(1) and NGC Regulation 8.030, to pledge the equity securities of FCJI, Inc. to Foothill, Cerberus and Canpartners provided that:

a. A copy of the fully executed Pledge Agreement in the form of a draft dated October 10, 1995, must be filed with the Board within five business days after the effective date of this Order;

b. The prior approval of the Commission must be obtained before any foreclosure or transfer of a possessory security interest in such securities (except back to WCAL, Inc.) and before any other resort to the collateral or other enforcement of a security interest in such securities may occur; and

c. Pursuant to NGC Regulations 15.510.1-3 and 8.030(4)(a), the stock certificates of FCJI, Inc. evidencing said pledge of equity securities must at all times remain physically within the State of Nevada at a location designated to the Board and must be made available for inspection by agents of the Board immediately upon request during normal business hours.

23. THAT WCAL, Inc. is granted approval, pursuant to NGC Regulation 15.510.1-4, to enter into agreements with Foothill, Cerberus and Canpartners to place restrictions upon the transfer of, and agree not to encumber, the equity securities of FCJI, Inc.

24. THAT BAC, APT Games, Inc., WCAL, Inc., Casino Electronics, Inc., United Coin Machine Co., APT Coin Machines, Inc., Mizpah Investments, Inc., Plantation Investments, Inc., Trolley Stop, Inc., FCJI, Inc., and Slot Palace, Inc., are each approved, pursuant to NRS 463.510(1) and NGC Regulations 15.585.7-1 and 15.585.7-2, as appropriate, to issue guarantees to Foothill, Cerberus and Canpartners.

25. THAT all voting securities of Alliance Gaming Corporation shall each bear a statement which shall be substantially as follows:

"Beneficial owners of the voting securities issued by this corporation are subject to the regulatory provisions of the Nevada Gaming Control Act (NRS 463.010, et. seq.) and the regulations of the Nevada Gaming Commission. If at any time the Nevada Gaming Commission finds a beneficial owner of such securities to be unsuitable to hold such securities, the beneficial owner must dispose of the securities. The laws and gaming regulations of the State of Nevada restrict the rights of a beneficial owner under certain circumstances (i) to receive any dividend or interest upon such securities, or (ii) to exercise directly or indirectly any voting rights conferred

by such securities, or (iii) to receive any remuneration in any form from the corporation for services rendered or otherwise."

26. THAT Alliance Gaming Corporation shall provide written notification to the Chairman of the Board of any offer by the Board of Directors to sell any equity security, as defined by NRS 463.484, and except for public offerings subject to NGC Regulations 16.110 or 16.115, grants of stock options to officers, directors and employees under a bona fide stock option plan and issuances of common stock upon the exercise of such stock options, any sale of any equity security, as defined by NRS 463.484, shall be void without the prior administrative approval of the Chairman of the Board or his designee. Such approval is deemed granted if an application for the same has been filed with the Chairman of the Board for 30 days and he has not ordered an acceleration or extension of time, or issued a stop order during such period.

27. THAT the Commission hereby delegates to the Chairman of the Board the authority to issue interlocutory stop orders for good cause pertaining to any equity security subject to paragraph 26 above. Any stop order so issued may be reviewed by the Commission in accordance with NGC Regulation 16.040.

28. THAT Kirkland Investment Corporation has been approved, pursuant to NGC Regulation 16.200, to acquire control of Alliance Gaming Corporation (f/k/a United Gaming, Inc.) and shall be deemed a controlling person of Alliance Gaming Corporation.

29. THAT Kirkland-Ft. Worth Investment Partners, L.P. is found suitable, pursuant to NRS 463.643(3), to beneficially own more than 10% of the common stock of Alliance Gaming Corporation.

30. THAT the administrative approval of the Chairman of the Board, or his designee, shall be received before any change in the ownership or operational structure of Kirkland-Ft. Worth Investment Partners, L.P. or Kirkland Investment Corporation shall be effective.

31. No limited partner of Kirkland Investors, L.P. shall have any involvement in the management of Kirkland-Ft. Worth Investment Partners, L.P., or Kirkland Investment



Corporation related to Alliance Gaming Corporation, or its subsidiaries, without the prior approval of the Chairman of the Board or a finding of suitability by the Commission, as appropriate.

32. THAT Alliance Gaming Corporation's presently existing Gaming Compliance Program Plan, and its members, has been submitted to the Chairman of the Board for administrative review and approval. Any amendments to the Gaming Compliance Program plan shall be administratively reviewed and approved by the Chairman of the Board, or his designee. The Gaming Compliance Program shall not be terminated without the prior administrative approval of the Chairman of the Board, or his designee.

33. THAT Alliance Gaming Corporation shall fund and maintain with the Board a revolving fund in the amount of \$10,000 for the purpose of funding investigative reviews by the Board for compliance with the terms of this Order of Registration. Without limiting the foregoing, the Board shall have the right, without notice, to draw upon the funds of said account for the payment of costs and expenses incurred by the Board and its staff in the surveillance, monitoring and investigative review of all activities of Alliance Gaming Corporation, BAC, United Coin Machine Co., APT Games, Inc., Mizpah Investments, Inc., Plantation Investments, Inc., Trolley Stop, Inc., APT Coin Machines, Inc., Casino Electronics, Inc., WCAL, Inc., FCJI, Inc. and their affiliated entities, and Kirkland-Ft. Worth Investment Partners, L.P., Kirkland Investment Corporation and their affiliated entities.

34. THAT pursuant to NRS 463.625, Alliance Gaming Corporation is exempted from compliance with subsections 1, 2, 6, and 7 of NRS 463.585, and NRS 463.595 through NRS 463.615, inclusive, and shall instead comply with NRS 463.635 through 463.645, inclusive.

35. THAT Alliance Gaming Corporation is exempted from NGC Regulation 15, except for the provisions of NGC Regulations 15.585.3-1, 15.585.3-2 and 15.585.4-1, and shall instead comply with NGC Regulation 16.

36. THAT the Commission hereby expressly finds that the exemptions granted hereinabove are consistent with the State policy set forth in NRS 463.0129 and NRS 463.489.

37. THAT if the transactions described in Paragraph 1 (a)-(i), are not completed and effective by December 31, 1995, unless administratively extended by the Chairman of the Board or his designee, then this Ninth Revised Order of Registration shall be rendered null and void and the Eighth Revised Order of Registration shall be effective.

ENTERED at Las Vegas, Nevada, this 16th day of October 1995.