

File No. SD-044

BEFORE THE NEVADA GAMING COMMISSION
AND THE STATE GAMING CONTROL BOARD

In the Matter of
INTERNATIONAL GAME TECHNOLOGY
(Registration)

FOURTH REVISED ORDER OF REGISTRATION

THIS MATTER came on regularly for hearing before the State Gaming Control Board ("Board") on December 2, 1992, and before the Nevada Gaming Commission ("Commission") on December 17, 1992, at Carson City, 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. The application of IGT for a nonrestricted gaming license (slot machines only) at Reno Cannon International Airport; and
 - b. The application of International Game Technology for an amendment to its Order of Registration.
2. THAT the Third Revised Order of Registration of International Game Technology dated February 27, 1991, and the First, Second, and Third Amendments

thereto dated May 30, 1991, May 28, 1992, and June 18, 1992, respectively, are hereby consolidated and incorporated into, and updated by, this Fourth Revised Order of Registration.

3. THAT International Game Technology is registered as a publicly traded corporation and found suitable as the sole shareholder of the common stock of IGT and Electronic Data Technologies, and of the Series A preferred stock of CMS-International, and found suitable as a controlling shareholder of the common stock of CMS-International.

4. THAT IGT is licensed as a manufacturer and distributor, and as an operator of a slot machine route, and that IGT, db at Reno Cannon International Airport, is licensed to conduct nonrestricted gaming operations (slot machines only) at 2000 East Plumb Lane, Reno.

5. THAT International Game Technology shall establish and maintain an Internal Reporting System to be administratively approved by the Board.

6. THAT CMS-International is registered as an intermediary company and found suitable as the sole shareholder of the common stock of Silver Club, CMS-Sparks and CMS-El Capitan.

7. THAT Silver Club, dba Silver Club, is licensed to conduct nonrestricted gaming operations at 1040 "B" Street, Sparks.

8. THAT Silver Club, dba Silver Club Hotel, is licensed to conduct restricted gaming operations at 1040 "C" Street, Sparks.

9. THAT the provisions in paragraph 24 of the November 29, 1988, draft of the Deed of Trust and Security Agreement with Assignments of Rents related to the Silver Club property, which involve certain restrictions regarding the transfer, assignment, hypothecation or encumbrance of Silver Club voting common

stock, are approved pursuant to NGC Regulation 15.510.1-4.

10. THAT CMS-Sparks, dba The Treasury Club, is licensed to conduct nonrestricted gaming operations at 1144 "B" Street, Sparks.

11. THAT CMS-El Capitan, dba El Capitan Club, is licensed to conduct nonrestricted gaming operations at 540 "F" Street, Hawthorne.

12. THAT Electronic Data Technologies is registered as an intermediary company and found suitable as the sole shareholder of EDT.

13. THAT EDT is licensed as a manufacturer and distributor, and as an operator of a slot machine route, and that EDT, dba Ichabod's, is licensed to conduct restricted gaming operations at 3300 East Flamingo Road, Las Vegas.

14. THAT International Game Technology and IGT are granted approval to participate in gaming operations in the State of Montana through IGT-Montana, Inc., while continuing their gaming operations in the State of Nevada through their affiliated companies, CMS-International, Silver Club, CMS-Sparks, CMS-El Capitan, Electronic Data Technologies, and EDT.

15. THAT the approval granted in paragraph 14 above is conditioned that International Game Technology shall submit an annual operational and regulatory status report specifically including, but not limited to, regulatory compliance and audit procedures.

16. THAT International Game Technology and CMS-International are granted approval to participate in gaming operations in Antigua while continuing their gaming operations in the State of Nevada through their affiliated companies, IGT, Silver Club, CMS-Sparks, CMS-El Capitan, Electronic Data Technologies, and EDT.

17. THAT the approval granted in paragraph 16 above is conditioned as follows:

a. International Game Technology shall engage the services of an independent certified public accounting firm of good standing and reputation to perform an annual audit of King's Casino Limited for the purpose of rendering an opinion;

b. International Game Technology shall further be subject to the reporting requirements set forth in Exhibit A, which is attached to this Fourth Revised Order of Registration and incorporated by reference herein;

c. International Game Technology shall submit an annual operational and regulatory status report specifically including, but not limited to, regulatory compliance, audit procedures and surveillance procedures;

d. The Board may in its sole discretion employ, at International Game Technology's expense, an independent accounting firm to make observations and to compile any and all reports deemed necessary by the Board and submit those reports to the Board; and

e. A system of internal controls administratively approved by the Board shall be adopted and maintained. Said system of internal controls may be modified from time to time as deemed necessary by International Game Technology, subject to the subsequent administrative approval of the Chairman of the Board or his designee.

18. THAT International Game Technology is granted approval to participate in gaming operations on excursion gambling boats operated by The Connelly Group, L.P. in Davenport, Iowa, while continuing its gaming operations in the State of Nevada through its affiliated companies, IGT, CMS-International, Silver Club, CMS-Sparks, CMS-El Capitan, Electronic Data Technologies, and EDT.

19. THAT the approval granted in paragraph 18 above is specifically

conditioned as follows:

a. That International Game Technology ("IGT") and Iowa Riverboat Corporation ("IRC") shall timely receive all licenses and approvals from the Iowa Racing and Gaming Commission ("IRGC"); necessary to participate in gaming operations with The Connelly Group, L.P. ("CGLP") in Davenport, Iowa, and shall provide the Board with a written detailed description of the final financial arrangements concerning CGLP's commencement of excursion gambling boat operations in Davenport, Iowa.

b. That IGT shall simultaneously provide the Board with a copy of all audited annual financial statements and all other financial statements and reports for CGLP which are required to be submitted to the IRGC.

c. That the following information within the knowledge of IGT must be reported in writing to the Board within 60 days after the end of each quarter regarding the occurrence or absence of the following:

(1) Any changes in CGLP's officers, directors or key personnel directly or indirectly engaged in the active administration or supervision of the gaming operations conducted on the excursion gambling boat in Davenport, Iowa, who earn \$50,000 or more annually.

(2) All gaming related complaints, disputes, orders to show cause and disciplinary actions instituted or presided over by, or involving as a party thereto, any state, the U.S., foreign or any other governmental jurisdiction, which concerns IGT, CGLP, or IRC, and any officer, director, owner, agent or employee thereof.

(3) All arrests within the knowledge of IGT made of CGLP's or IRC's officers, directors, owners, agents or employees and its patrons, involving

gaming misconduct in the State of Iowa. The report shall include: the name, position, charge, arresting agency and a brief description of the event.

(4) All material civil litigation within the knowledge of IGT or IRC in which CGLP or any officer, director or partner thereof, is involved as a party thereto. The report shall include a copy of the pleadings filed therein.

(5) Any additional financial commitments, infusion of capital or guarantees, including the details thereof, made by IGT or its affiliates in connection with the operations of CGLP.

d. That IGT shall immediately report in writing to the Board any change in the ownership or control of CGLP or IRC upon receipt of knowledge of the same.

e. That the approval granted relates solely to the approval which was voluntarily sought and received and does not involve any exercise of Nevada regulatory jurisdiction over the entities pertaining to these operations and activities. IGT shall ensure that no representation shall be made by IGT, CGLP, IRC, and their affiliates, directly or indirectly, that the operations are within the regulatory control of the State of Nevada or any agency thereof.

f. That IGT shall submit to the Board a copy of the prescribed system of accounting and internal controls, and any changes thereto, approved by the IRGC concerning the excursion gambling boat operations of CGLP in Davenport, Iowa.

g. That IGT shall maintain at its principal offices in Nevada those detailed financial records maintained in the ordinary course of accounting for its investment in CGLP and IRC. In addition, IGT shall also maintain at its principal offices in Nevada records of ownership pertaining to IGT's investment

in CGLP and IRC. Specifically, copies of the following documents or their equivalent related to CGLP and IRC shall be maintained:

- (1) Certified copies of articles of incorporation and any amendments;
- (2) Agreement(s) of partnership and any amendments;
- (3) Bylaws and any amendments;
- (4) A list of current and former officers and directors, and any changes thereto;
- (5) Any minutes of meetings of partner's, stockholders and directors;
- (6) A listing of each partner's or stockholder's name, address, number of shares or interests held and the date such shares or interests were acquired;
- (7) A record of all transfers of the partnership interests or stock; and
- (8) A record of all amounts paid to CGLP and IRC for issuance of stock, partnership shares, loans and other capital contributions.

Such records of accounting and ownership must be retained by IGT within Nevada for at least five (5) years after they are made and must be made available for inspection to agents of the Board immediately upon request.

h. That IGT shall comply with any additional reporting requirements which may be subsequently administratively required by the Board.

20. THAT International Game Technology, IGT, and CMS-International are each granted continuous approval to participate in foreign gaming pursuant to NRS 463.680, et seq., and NGC Regulation 4.705, while continuing their gaming

operations in the State of Nevada through their affiliated companies.

21. THAT the approvals granted in paragraph 20 above are expressly conditioned as follows:

a. The continuous approvals expire at midnight on the date of the May 1994 regular Commission meeting.

b. With respect to each foreign gaming operation, International Game Technology, IGT and CMS-International (the "applicants") must:

(1) Submit personal background and financial information to the Board for the hotel manager, casino manager, controller and casino controller involved in foreign gaming operations, if any. The information provided shall include sufficient identification information (e.g., passport number, social security number, date of birth), to enable the Board to conduct a background and financial investigation.

(2) The following information within the knowledge of the applicants must be reported by them to the Board within 30 days after the end of each quarter regarding the occurrence or absence of the following:

(a) Any change in ownership or control of any interest in any foreign gaming operations.

(b) All gaming-related complaints, disputes, orders to show cause and disciplinary actions instituted, or presided over, by any state, the U.S., or any other foreign governmental jurisdiction concerning any foreign gaming operations.

(c) All arrests made of employees of the applicants or their affiliate(s) involving gaming cheating or theft in any foreign gaming operations. This report must include the name, position, charge, arresting

agency, and a brief description of the event.

(d) All arrests or convictions of officers, directors, key employees, and equity owners of the applicants or their affiliate(s) in any foreign jurisdiction, regarding offenses which would constitute a gross misdemeanor or felony in the State of Nevada. The report must include the name, position, charge, arresting agency, and a brief description of the event.

c. The approvals granted relate solely to the approvals which were voluntarily sought and received and do not involve any exercise of Nevada regulatory jurisdiction over the entities pertaining to any foreign gaming operations and activities. No representations shall be made by the applicants directly or indirectly, that any foreign gaming operations are within the regulatory control of the State of Nevada or any agency thereof.

d. The applicants must maintain at an office in Nevada, designated to the Board, detailed records and records of ownership pertaining to any foreign gaming operations. Specifically, copies of the following documents or their equivalent for the business entities responsible for any foreign gaming operations, must be maintained:

- (1) Articles of incorporation, partnership, management, or joint venture agreements, and any amendments;
- (2) Bylaws and any amendments;
- (3) A list of current and former partners, officers and directors, and any changes thereto;
- (4) Any minutes of meetings of partners, stockholders and directors;
- (5) A listing of each partner's or stockholder's name,

address, available personal identification information, number of shares or interests held, and the date such shares or interests were acquired;

(6) A record of all transfers of the stock or other interests;

and

(7) A record of all amounts paid to any foreign gaming operations related to stock issuances, capital contributions and loans.

Such records of accounting and ownership must be maintained by the applicants within Nevada for at least five years after they are made and must be made available for inspection to agents of the Board immediately upon request.

e. The applicants shall comply with any additional reporting or other requirements or conditions as may be subsequently imposed by the Board or which are required by NGC Regulation 4.705.

f. These approvals do not apply in jurisdictions where it is not possible to conduct or investigate foreign gaming operations because of:

(i) prohibitions by the President of the United States pursuant to the International Emergency Economic Powers Act, 50 U.S.C. 1702-1706;

(ii) the Foreign Assets Control Regulations, 31 C.F.R. 500.101-565.901; and

(iii) restrictions on travel of holders of United States passports.

g. The continuous approval granted hereinabove to CMS-International is further conditioned that if at any time International Game Technology shall cease to be the majority shareholder of the common stock of CMS-International, then CMS-International shall no longer be exempt from the requirements of NGC Regulations 4.700, 4.710 or 4.715 pursuant to NGC Regulation

4.705(9), and shall instead specifically comply with said Regulations.

22. THAT except as permitted by NRS 463.690 and the regulations promulgated thereunder, or as provided in paragraphs 14 through 21, inclusive, neither International Game Technology, IGT or CMS-International, nor any person controlling, controlled by or under common control with International Game Technology, IGT or CMS-International, shall have any involvement with gaming or pari-mutuel wagering outside the State of Nevada without first obtaining the approval of the Commission.

23. THAT pursuant to NRS 463.625(2), International Game Technology is exempted from compliance with NRS 463.585 through NRS.615, inclusive, and shall instead comply with NRS 463.635 through NRS 463.645, inclusive.

24. THAT International Game Technology is exempted from NGC Regulation 15 and shall instead comply with NGC Regulation 16.

25. THAT CMS-International, to effectuate a corporate restructuring of Silver Club, dba Silver Club, and itself, is granted approval to issue 4,399,900 shares of its common stock to International Game Technology and 600,000 shares of its common stock to Edward G. Stevenson, Wayne A. Currie and E. Patrick Crofts (200,000 shares each); is granted approval to issue options to acquire up to 780,000 shares of its common stock under Incentive Stock Option Agreements to be entered into by and between CMS-International, Edward G. Stevenson, Wayne A. Currie and E. Patrick Crofts (the "Incentive Stock Option Agreements"); and is granted approval to acquire 450 shares of common stock of Silver Club, dba Silver Club.

26. THAT CMS-International is granted approval to place certain restrictions upon its common stock regarding the transfer, assignment,

hypothecation or encumbrance thereof, pursuant to the Incentive Stock Option Agreements and the Agreement of the Shareholders of CMS-International and CMS-International dated September 30, 1990.

27. THAT Edward G. Stevenson, Wayne A. Currie and E. Patrick Crofts are each granted approval to exercise options to acquire up to 260,000 shares of common stock of CMS-International, and CMS-International is granted approval to issue to each of said individuals up to 260,000 shares of its common stock, in accordance with the Incentive Stock Option Agreements; provided that, these approvals are expressly conditioned that each individual must obtain the prior written approval of the Chairman of the Board and provide all information requested, prior to the exercise of any option or the issuance of any common stock pursuant to the Incentive Stock Option Agreements.

28. THAT CMS-International is granted approval to issue 50,000 shares of its Series A preferred stock to International Game Technology in consideration of the extinguishment of a \$5 million inter-company note, and is granted approval to issue additional shares of Series A preferred stock at a rate not to annually exceed .066 of the outstanding Series A preferred stock, to International Game Technology as a pay-in-kind dividend on the aforesaid Series A preferred stock; provided that, the latter approval is expressly conditioned that it will expire at midnight of the December 1993 Commission meeting and that CMS-International must obtain the prior written approval of the Chairman of the Board and provide all information requested, prior to declaring and issuing any such pay-in-kind Series A preferred stock dividend.

29. THAT CMS-International is granted approval to place certain restrictions upon its Series A preferred stock regarding the transfer,

assignment, hypothecation or encumbrance thereof, pursuant to the Preferred Stock Purchase Agreement dated September 30, 1990.

30. THAT Edward G. Stevenson, Wayne A. Currie and E. Patrick Crofts are each found suitable as shareholders of common stock of CNS-International.

31. THAT International Game Technology shall fund and maintain with the Board a revolving fund in the amount of \$15,000 for the purpose of funding investigative reviews by the Board for compliance with the provisions of this Fourth Revised 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, including public offerings, of International Game Technology, Electronic Data Technologies, IGT, EDT, CNS-International, Silver Club, CNS-Sparks, and CNS-El Capitan, and their affiliated companies.


32. THAT the Commission hereby expressly finds that the exemptions

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granted hereinabove are consistent with the State policy set forth in NRS
463.0129 and NRS 463.489.

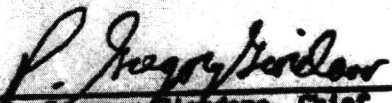
ENTERED at Carson City, Nevada, this 17th day of December, 1992.

FOR THE COMMISSION:



Bob Lewis, Vice Chairman

Submitted by:



P. Gregory Giordano, Chief
Corporate Securities Division

APPROVED AS TO FORM:

FRANKIE SUE DEL PAPA
ATTORNEY GENERAL

By 

Deputy Attorney General
Gaming Division