

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

In the Matter of  
SILICON GAMING, INC.  
(Registration)

ORDER OF REGISTRATION

THIS MATTER came on regularly for hearing before the State Gaming Control Board ("Board") on June 5, 1996, and before the Nevada Gaming Commission ("Commission") on June 19, 1996, 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 Silicon Gaming, Inc. for registration as a publicly traded corporation, for a finding of suitability as the sole shareholder of Silicon Gaming-Nevada and for approval of a public offering;
  - b. The application of Robert Martin Fell for a finding of suitability as a controlling shareholder of Silicon Gaming, Inc.;

c. The application of Silicon Gaming-Nevada for licensure as a manufacturer, distributor and operator of a slot machine route and for a waiver of NGC Regulation 4.080(1), in conjunction with the application for licensure as an operator of a slot machine route.

2. THAT Silicon Gaming, Inc. is registered as a publicly traded corporation and is found suitable as the sole shareholder of Silicon Gaming-Nevada.

3. THAT Robert Martin Fell is found suitable, pursuant to NGC Regulation 16.400, as a controlling shareholder of Silicon Gaming, Inc.

4. THAT Silicon Gaming-Nevada is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission.

5. THAT Silicon Gaming-Nevada is licensed as an operator of a slot machine route, provided, however, that such license shall not be issued, unless and until, the Chairman of the Board, or his designee, has determined that Silicon Nevada-Gaming has obtained firm commitments to place slot machines at three licensed locations, in accordance with NGC Regulation 4.030.1(b)(1).

6. THAT, pursuant to NGC Regulation 4.080(3), the time limitations provided in NGC Regulation 4.080(1) are, for a period of one year from the effective date of this Order, hereby waived specifically and only as they relate to Silicon Gaming-Nevada's compliance with the provisions of NGC Regulation 4.030.1(b)(1).

7. THAT Silicon Gaming, Inc. is granted approval pursuant to NGC Regulation 16.110, to make a public offering of up to 4,025,000 shares of its .001 par value common stock, as described in the Securities and Exchange

Commission ("SEC") Form S-1 Registration Statement (SEC Registration No. 333-4793) ("Registration Statement").

8. THAT the approvals set forth in paragraph 7 above are specifically conditioned as follows:

a. That Silicon Gaming, Inc. shall keep the Board's Corporate Securities Division continuously and promptly informed as to the progress of the public offering and as to any other event that would have a material effect on Silicon Gaming, Inc. or its subsidiaries which would be subject to reporting on SEC Form 8-K; and

b. That the approvals granted herein may be rescinded without prior notice upon the issuance of an interlocutory stop order by the Chairman of the Board. Said interlocutory stop order, if issued, shall remain in effect until the interlocutory stop order is lifted by the Commission upon such terms as are satisfactory to the Commission.

9. THE Commission hereby delegates to the Chairman of the Board the authority to issue interlocutory stop orders for good cause, which shall remain in effect until lifted by the Commission as provided in paragraph 8(b) above.

10. THAT the Commission hereby delegates to the Chairman of the Board the authority to administratively approve an increase in the amount of the public offering approved by Paragraph 7; provided, that the Chairman of the Board finds that such increase does not constitute a material change from the public offering approved hereby. For the purposes hereof only, an increase of 10% or less in the number of shares of common stock offered in connection with the public offering shall not be deemed a material change.

11. THAT Silicon Gaming, Inc. is granted sixty (60) days from the date of this Order of Registration to have the Registration Statement declared effective by the SEC. If the Registration Statement is not declared effective by the SEC within said time period, unless administratively extended by the Chairman of the Board or his designee, then the approvals granted by paragraph 7 of this Order of Registration shall be deemed withdrawn and rendered null and void.

12. THAT Silicon Gaming, Inc. shall establish and maintain a gaming compliance program plan for the purpose of, at a minimum, performing due diligence, determining the suitability of relationships with other entities and individuals, and to review and ensure the compliance of Silicon Gaming, Inc., its subsidiaries and any affiliated entities with the Nevada Gaming Control Act (the "Act"), as amended, and the Commission's Regulations (the "Regulations"), as amended. The gaming compliance program plan, any amendments thereto, and the members of the compliance committee shall be administratively reviewed and approved by the Chairman of the Board, or his designee. Furthermore, upon request of the Chairman of the Board, or his designee, Silicon Gaming, Inc. shall amend the compliance committee plan, or any element thereof, and perform such duties as may be assigned by the Chairman of the Board, or his designee, related to a review of the activities relevant to the continuing qualification of Silicon Gaming, Inc., under the provisions of the Act and Regulations.

13. THAT Silicon Gaming, Inc. 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 Silicon Gaming, Inc. its subsidiaries and any affiliated entities.

14. THAT, pursuant to NRS 463.625, Silicon Gaming, Inc. is exempted from compliance with NRS 463.585 through 463.615, inclusive, and shall instead comply with NRS 463.635 through NRS 463.645, inclusive.

15. THAT, Silicon Gaming, Inc. is exempted from NGC Regulation 15 and shall instead comply with provisions of NGC Regulation 16.

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


17. THAT this Order of Registration shall not be effective, unless and until, Silicon Gaming, Inc.'s Form 10 Registration Statement filed with the SEC pursuant to the Securities and Exchange Act of 1934 is declared effective. Such Form 10 must be declared effective by June 24, 1996, unless

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administratively extended by the Chairman of the Board. If such Form 10 is not declared effective, then this Order of Registration shall be rendered null and void.

ENTERED at Carson City, Nevada, this 19th day of June, 1996.

FOR THE COMMISSION:

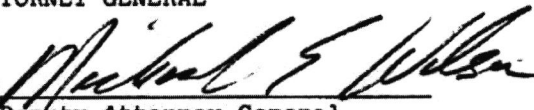
  
Bill Curran, Chairman

Submitted by:

  
Dennis K. Neilander, Chief  
Corporate Securities Division

APPROVED AS TO FORM:

FRANKIE SUE DEL PAPA  
ATTORNEY GENERAL

By   
Deputy Attorney General  
Gaming Division