

ORDER 2014-205

AN ORDER GRANTING THE EXECUTIVE DIRECTOR AUTHORITY TO ISSUE A FINAL APPROVAL WAIVING THE APPLICATION OF 68 IAC 5-1 TO A TRANSFER OF OWNERSHIP IN GTECH S.p.A. AND INTERNATIONAL GAMING TECHNOLOGIES

Under 68 IAC 5-1, supplier licensees that are publicly traded companies must comply with certain requirements before transferring an ownership interest, including a suitability investigation, in order to protect the Commission's interest in the suitability of its licensees. Under 68 IAC 5-1-8, the Commission may waive a requirement or procedure set forth in 68 IAC 5 if the Commission determines that it is impractical or burdensome and the waiver is in the best interests of the public and the gaming industry and is not outside the technical requirements necessary to serve the purpose of the requirement or procedure.

Both GTECH S.p.A. ("GTECH") and International Gaming Technologies dba IGT ("IGT") are current Indiana supplier licensees. Pursuant to an Agreement and Plan of Merger dated July 15, 2014, between GTECH, Georgia Worldwide Limited, Georgia Worldwide Corporation, and IGT, GTECH plans to acquire ownership of IGT. GTECH will merge into Georgia Worldwide Limited, a newly formed UK holding company. At the completion of the merger, IGT will be a wholly owned subsidiary of Georgia Worldwide Limited.

Compliance with the requirements of 68 IAC 5-1 is time consuming and costly for both the applicant and the Commission. The policy goal of 68 IAC 5-1 is to ensure that a party seeking an ownership interest is suitable under the Commission's licensing standards.

COMMISSION ACTION

Assignment of authority to the Executive Director to waive 68 IAC 5-1 as necessary to allow the proposed transfer of ownership interest in International Gaming Technologies to Georgia Worldwide Limited, formerly GTECH, S.p.A.:

The Commission has previously investigated GTECH and IGT and its key persons, except for one Independent Director. For this reason, the Commission has determined that there is little to gain from applying the requirements of 68 IAC 5-1 to the present transaction. The requirements of 68 IAC 5-1 are impractical and burdensome to this transfer, and waiver is in the best interest of the public and the gaming industry and is not outside the technical requirements necessary to serve the purpose of the transfer regulations.

However, due to the failure to submit an application for an Independent Director, waiver is not appropriate at this time. Therefore, per IC 4-33-3-18, the Commission hereby **ASSIGNS** the Executive Director the authority to issue final approval of the waiver of 68 IAC 5-1, conditioned upon the following: (1) receipt of the Independent Director's application by December 1, 2014, and a determination that he is suitable pursuant to the Commission's licensing standards and (2) no material changes to the proposed transaction. If there are any substantive changes to the merger or if the Commission's staff concludes that the transaction is unsound after reviewing the submitted application, the Executive Director may decline to issue final approval, which would require GTECH to appear and present the proposal for consideration at a Commission meeting.

IT IS SO ORDERED THIS 20th DAY OF NOVEMBER, 2014.

THE INDIANA GAMING COMMISSION:



Cris Johnston, Chair

ATTEST:



Secretary