

MISSOURI GAMING COMMISSION
COMMISSION RESOLUTION NO. 13-106

APPROVING THE PETITION OF BALLY GAMING, INC. FOR APPROVAL OF CHANGE
OF CONTROL RELATING TO SHFL ENTERTAINMENT, INC.

October 30, 2013

WHEREAS, Bally Gaming, Inc., (Bally), is a holder of a Suppliers license issued by the Missouri Gaming Commission; and

WHEREAS, SHFL Entertainment, Inc. (SHFL) is a holder of Suppliers License issued by the Missouri Gaming Commission; and

WHEREAS, Bally has a contract which, if consummated, would result in SHFL becoming a wholly owned subsidiary of Bally; and

WHEREAS, 11 CSR 45-10.040 (12) requires approval of the Commission prior to the closing of any sale which would constitute a change of control; and

WHEREAS, the Commission has reviewed the Petition for Change of Control and other documents and information relating to said Petition.

THEREFORE, BE IT RESOLVED by the Missouri Gaming Commission that the Petition for Approval of Change of Control filed by Bally to acquire SHFL, a copy of which is attached hereto and incorporated herein by reference, is hereby approved.

IN THE MISSOURI GAMING COMMISSION
STATE OF MISSOURI

In re:)
BALLY GAMING, INC.)
6601 South Bermuda Road)
Las Vegas, NV 89119-3605)
and)
SHFL ENTERTAINMENT, INC.)
1106 Palms Airport Drive)
Las Vegas, NV 89119)

**CORPORATE SECURITIES AND FINANCE NOTICE REQUIRED
UNDER 11 CSR 45-10.040**

**PETITION FOR APPROVAL OF
CHANGE IN CONTROL**

COMES NOW Bally Gaming, Inc., d/b/a Bally Technologies ("**Bally Gaming**") and pursuant to 11 CSR 45-10.040, petitions the Missouri Gaming Commission ("**Commission**") for its approval of Bally Gaming's acquisition of control of SHFL entertainment, Inc. ("**SHFL**") and all transactions related thereto. In support of its petition for approval of this "change in control" (including any transfer of interest) as defined in 11 C.S.R. 45-10.040(8)(A), Bally Gaming states as follows:

The Parties

1. Bally Gaming is a Nevada corporation, qualified to do business in Missouri, and is in good standing in the State of Missouri. Bally Gaming holds a supplier license from the Commission, originally issued in December, 1997. Bally Gaming's current period of licensure is set to expire October 31, 2014. Bally Gaming is an indirect subsidiary of Bally Technologies, Inc, a Nevada corporation, a publicly-held company, whose stock is traded on the New York Stock Exchange.

2. SHFL is a Minnesota corporation, qualified to do business in Missouri and is in good standing in the State of Missouri. SHFL holds a supplier license from the Commission, originally issued in August, 1997, and most recently renewed on September 1, 2012. The current period of SHFL's supplier license is set to expire August 31, 2014. SHFL is a publicly-held company, whose stock is traded on NASDAQ.

3. As noted above, Bally Technologies, Inc. ("Bally Tech") is the ultimate parent of Bally Gaming. Manhattan Merger Corp., a Minnesota corporation, is a newly-created and wholly-owned subsidiary of Bally Gaming.

Merger Agreement and Proposed Transaction

4. Bally Tech and Manhattan Merger Corp. entered into an Agreement and Plan of Merger ("Merger Agreement") with SHFL, dated as of July 15, 2013, which is attached hereto as Exhibit A. The Merger Agreement is subject to certain conditions, including, but not limited to, approval of the Commission and other regulatory approvals and antitrust approval under the Hart-Scott-Rodino Antitrust Improvements Act. The overview set forth in this Petition is only intended as a summary of the proposed transaction and is not a complete description of the Merger Agreement.

5. Pursuant to the Merger Agreement, the proposed transaction will be accomplished through a reverse triangular merger structure as described in the Merger Agreement by which Manhattan Merger Corp., a subsidiary of Bally Gaming, will be merged with and into SHFL, with SHFL being the surviving corporation. As a result, SHFL will become a wholly-owned subsidiary of Bally Gaming.

6. Pursuant to the Merger Agreement, each issued and outstanding share of common stock of SHFL will be converted into the right to receive \$23.25 in cash. The consideration payable to SHFL stockholders will be paid in cash.

Financing

7. The proposed transaction is expected to be financed through an amendment or refinancing of Bally Tech's existing credit facility and term loan, increasing the amounts available to borrow under such facilities. The current version of the financing commitment is attached to Bally Tech's Form 8-K, which is attached hereto as Exhibit B.

Post-Closing Structure

8. Upon closing of the proposed transaction, and consummation of the above merger, SHFL will be a wholly-owned subsidiary of Bally Gaming, and will continue to exist as an operating, licensed entity (retaining its Missouri supplier's license). The stock of SHFL will be owned by Bally Gaming, not the current public shareholders. The current directors and statutory officers of Bally Gaming (Ramesh Srinivasan, Neil Davidson and Mark Lerner -- all licensed in Missouri) will become the directors and statutory officers of SHFL.

Request for Approval of Change in Control

9. Section 11 C.S.R. 45-10.040(12) provides that "Upon any voluntary change in control, the license held by the gaming licensee that is the subject of the change in control or that is a direct or indirect subsidiary of the holding company that is the subject of the change in control, shall automatically become null and void and of no legal effect, unless the commission has approved such change in control by vote of the commissioners prior to its consummation." Under this section of the Missouri gaming regulations, the above transfer requires the approval of the Commission.

WHEREFORE, Bally Gaming respectfully requests that the transfer of interest and change in control to be accomplished pursuant to the proposed transaction, including the aforementioned financing which is obtained in connection with the proposed transaction, be reviewed, considered and approved by the Commission. Bally Gaming also respectfully requests an accelerated review by the Commission in connection with the review, consideration and approval of the proposed transaction and change in control.

Respectfully submitted,

BALLY GAMING, INC.

Marc P. Comella / VP Regulatory Compliance

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