

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

In the Matter of  
ADVANCED PATENT TECHNOLOGY, INC.  
(Registration)

ORDER OF REGISTRATION

THIS MATTER came on regularly for hearing before the State Gaming Control Board on October 19, 1978, and before the Nevada Gaming Commission on October 19, 1978, at Carson City, Nevada, and

THE APPLICANT having presented evidence in support of its application, and

NO PERSON having appeared in opposition to the granting of the application:

The Board and Commission having considered the reports of the Securities Division, Division of Investigations, and the evidence presented by the applicant,

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, be, and they hereby are, accepted as filed.

(a) the application of Advanced Patent Technology, Inc. to be registered as a publicly traded corporation and found suitable as the controlling stockholder of United Coin Machine Company, through APT Games, Inc., a Nevada Corporation.

(b) the application of APT Games, Inc., a wholly owned subsidiary of Advanced Patent Technology, Inc., to be registered as the intermediary holding company and sole stockholder of United Coin Machine Company, a corporate gaming licensee and a licensed distributor and manufacturer of gaming devices.

2. That Advanced Patent Technology, Inc., be, and it hereby is, registered as a publicly traded holding company, and found suitable as the sole stockholder of APT Games, Inc.

3. That the following officers, directors and stockholders, of Advanced Patent Technology, Inc., are found suitable in the capacities indicated:

Jack D. Solomon	President, Secretary, Treasurer, Director & a controlling stockholder
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Alvin A. Snaper	Vice President, Director & a controlling stockholder
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W. Donald Hamilton	Director
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4. That APT Games, Inc., a wholly owned subsidiary of Advanced Patent Technology, Inc., be, and it hereby is, registered as an intermediary holding company to be the sole stockholder of United Coin Machine Company, a corporate gaming licensee and a licensed distributor and manufacturer of gaming devices, and that the following officers and directors of APT Games, Inc. are found suitable in the capacities indicated:

Jack D. Solomon	President & Director
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Alvin A. Snaper	Vice President, Treasurer & Director
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W. Donald Hamilton Vice President, Secretary &  
Director

5. THAT United Coin Machine Company, a wholly owned subsidiary of APT Games, Inc., be, and it hereby is, licensed as a nonrestricted slot machine operator, and as distributor and manufacturer of gaming devices and that Bernard Shapiro, the only officer and director of the company, be and hereby is, licensed as President, Director and General Manager.

6. THAT pursuant to NRS 463.625(2), Advanced Patent Technology, Inc. be, and it hereby is, exempted from compliance with NRS 463.585 (1), (2), (6), and (7), and NRS 463.595 through NRS 463.615, inclusive, and shall instead comply with NRS 463.635 to 463.641, inclusive.

7. THAT Advanced Patent Technology, Inc., be, and it hereby is, exempt from Reg. 15 except for the provisions of Reg. 15.585.3-1, Reg. 15.585.3-2 and Reg. 15.585.4-1, and shall instead comply with Reg. 16.

8. THAT except as permitted by NRS 463.690(2), neither Advanced Patent Technology, Inc. nor any other person controlling, controlled by, or under common control with Advanced Patent Technology, Inc. shall have any involvement with gaming or parimutuel wagering outside the State of Nevada without first obtaining the approval of the Nevada Gaming Commission.

9. THAT this Order of Registration and all findings of suitability and licenses granted herein, be, and hereby are, expressly limited and conditioned upon the following:

(a) That the findings of suitability granted herein for the individuals named in this Order of Registration are hereby limited for one year from the date of this Order of Registration and shall expire at the end of one year from the date of this Order of Registration unless otherwise extended by the Commission.

(b) That all voting securities of Advanced Patent Technology, Inc. and APT Games, Inc. 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."

(c) THAT Advanced Patent Technology, Inc. and APT Games, Inc. shall call all outstanding certificates representing voting shares outstanding in those corporations and issue new stock certificates with the legend referred to in (b) above, within one year of the date of this Order of Registration.

(d) THAT Advanced Patent Technology, Inc., APT Games, Inc., United Coin Machine Company, or any person affiliated with the aforementioned companies, shall not

conduct any business with any person who has been found unsuitable for a gaming license, or with any business entity or affiliate thereof controlling, controlled by, or under common control with any person who has been found unsuitable after notice has been given by the Board or Commission of such unsuitability. Furthermore, that Advanced Patent Technology, Inc., APT Games, Inc., United Coin Machine Company or any person affiliated with the aforementioned companies shall not conduct any business with any business entity which employs a person who has been found unsuitable for a gaming license and who exerts a significant influence over or who is materially involved in any portion of the operations of the licensed gaming establishment after notice has been given by the Board or Commission of such involvement and unsuitability. Without limiting the scope of the foregoing condition, the following transactions between the companies and any person who has been found or who is declared to be unsuitable for licensing by the Commission or any licensed gaming establishment or affiliate thereof as previously stated, after notice as described herein, are expressly prohibited: (i) the sale of any gaming device; (ii) the lease, rental, or loan of any gaming device; (iii) the repair or servicing of any gaming device; (iv) the making or receipt of any loans or advances of funds; or (v) the lease of property upon which any gaming is to be conducted.

(e) THAT within six months of the date of this Order of Registration United Coin Machine Company shall

expand its board of directors to three or more members and that at least a majority of the members of such board must be officers or directors of Advanced Patent Technology, Inc.

(f) THAT within thirty (30) days of this Order of Registration, Jack D. Solomon shall submit an application for licensing as an officer or director of United Coin Machine Company.

(g) THAT Advanced Patent Technology, Inc., and APT Games, Inc., shall report each reportable credit as hereinafter defined, to the Board within thirty (30) days after the credit is extended or firmly committed by the creditor.

(1) "Credit" means any financial accommodation extended to, for the benefit of, or for the account of, Advanced Patent Technology, Inc. or APT Games, Inc. The term includes but is not limited to loans, leases, credit leases, issues of debt, securities, material amendments to existing credit arrangements, financial commitments and lines of credit.

(2) "Reportable Credit" means any credit except (i) a credit which is approved by the Commission in accordance with any other provision of the Gaming Control Act or any other provision of the regulations of the Commission; (ii) a credit which is required or permitted to be reported to the Commission in accordance with any other provision of the Gaming Control Act or any other provision of the regulations of the Commission; (iii) any credit for normally recurring trade debts incurred in the ordinary course of business upon terms ordinarily extended by the creditor to customers of the creditor; (iv) any credit which does not exceed \$10,000.

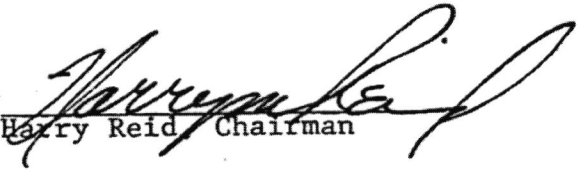
(h) THAT Advanced Patent Technology, Inc., shall maintain and fund a bank account with a bank upon such terms and conditions as may be satisfactory to the Board for the

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 United Coin Machine Company and its affiliated companies which relate to the terms of this Order of Registration.

Entered at Carson City, Nevada this 19th day of October, 1978.

FOR THE COMMISSION

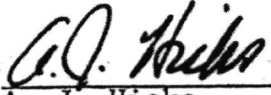
By

  
Harry Reid, Chairman

APPROVED:

ROBERT LIST  
Attorney General

By

  
A. J. Hicks  
Deputy Attorney General  
Chief, Gaming Division