
MARYLAND LOTTERY and GAMING CONTROL COMMISSION

1800 Washington Blvd., Suite 330, Baltimore, Maryland 21230

COMMISSION REPORT



Bluberi Gaming USA Inc.

MANUFACTURER LICENSE APPLICANT

Report Date: September 12, 2019

“Commission Presentation”

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We are conducting a hearing on the manufacturers license application submitted by Bluberi Gaming USA Inc. The Maryland Lottery and Gaming Control Agency is required by “The Gaming Law” to conduct an investigation to determine if Bluberi Gaming USA Inc. is qualified to be awarded a manufacturers license.

You (the commissioners) have been provided with the complete investigative report on Bluberi Gaming USA Inc. You have also received a copy of the public report that was in your packets and made available to everyone on the agency website. I will summarize the reports that have been given to you.

Background

Bluberi Gaming USA Inc. (the “Company”) was incorporated in Delaware in April 2016 under the name of BGT III Inc. The Company changed its name to Bluberi Gaming USA in May 2017 and has its corporate office located at 1650 East Helm Avenue, Las Vegas, Nevada. Bluberi Gaming USA Inc. is the distributor of Bluberi electronic gaming machines in the U.S. market. The Company’s operations involve extensive intercompany transactions with Bluberi Gaming Canada Inc. as all new gaming software and hardware is

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conceived and developed by Bluberi Gaming Canada Inc., and the two companies share certain revenues.

Bluberi Gaming USA Inc. is an indirect wholly owned subsidiary of Bluberi Gaming Canada Inc. which in turn is owned by three private equity funds, the Catalyst Fund Limited Partnership III (20.91%), Catalyst Fund Limited Partnership IV (63.38%) and the Catalyst Fund IV Parallel Limited Partnership (15.71%). Each of the Catalyst Funds have a General Partner that is wholly owned by The Catalyst Capital Group Inc., a Canadian private equity investment firm owned by Newton Glassman (83%) and Gabriel de Alba (17%) through their wholly owned companies Figcorp Ltd. and 1648438 Alberta ULC, respectively.

Bluberi Gaming Canada Inc. has filed a Principal Entity Disclosure Form with the Maryland Lottery and Gaming Control Commission and both Newton Glassman and Gabriel de Alba have filed Principal Employee Applications with the Commission. The Catalyst Capital Group Inc. is an Institutional Investor and has filed an Institutional Investor Waiver Application with the Commission.

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Discussion of Recent Financial Performance

Bluberi Gaming USA Inc.'s financial history is limited as its commercial operations began in February 2017. In addition, the Company's financial statements are unaudited for the periods covered in this report. We performed a detailed analysis of the Company's operating performance and financial condition for the period of February 7, 2017 through June 30, 2018.

Our financial and background investigation of Bluberi Gaming USA Inc. found the following:

- 1) Bluberi Gaming USA Inc. was found to have financial stability, integrity and responsibility
- 2) There were no material issues involving the known financial backers
- 3) Bluberi Gaming USA Inc. possesses the requisite good character, honesty and integrity
- 4) Bluberi Gaming USA Inc. has sufficient business ability and experience
- 5) There were no potential disqualifying factors

PRINCIPAL QUALIFIERS

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We identified the following natural person qualifiers (“principals”) who are associated with the Applicant. We conducted an extensive due diligence investigation on each qualifier, as described in our full report. We found that these principals have satisfied the applicable qualification criteria under SG § 9-1A-07(c)(7), and that none are disqualified under SG § 9-1A-08(d).

1. Michael J. Starzynski – Bluberi Gaming Canada, Inc.
2. Denis Lafreniere – Bluberi Gaming Canada, Inc.
3. David Sutin – Cadillus Capital Corporation
4. Tibor Donath – Cadillus Capital Corporation
5. Bradley Ashley – Cadillus Capital Corporation
6. James Riley – Cadillus Capital Corporation
7. Daizo Nohdomi – Cadillus Capital Corporation
8. Newton Glassman – Cadillus Capital Corporation
9. David Reese – Cadillus Capital Corporation
10. Gabriel de Alba – Catalyst Capital Group

CONCLUSIONS and OPINION

MLGCA’s investigation has confirmed that the Applicant has sufficient financial resources and found no derogatory information regarding the

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Applicant's qualifications. Based on the criteria in SG §§ 9-1A-07(c)(7) and 9-1A-08(d), we conclude that the Applicant, its principal entities and its principals, have established by clear and convincing evidence their qualifications for a manufacturer license.