

STATE OF NEW JERSEY
Office of the Attorney General
Department of Law and Public Safety
Division of Gaming Enforcement

In the Matter of the Qualification of Tracinda
Corporation and Natural Person Qualifier
Anthony L. Mandekic Pursuant to *N.J.S.A.*
5:12-85.1d and *N.J.A.C.* 13:69C-5A.1

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ORDER
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WHEREAS, by Division of Gaming Enforcement (Division) Order PRN 1011307 entered April 10, 2014, the Director determined that Tracinda Corporation (Tracinda), as a holder at that time of over approximately 18% of the outstanding common stock shares of MGM Resorts International (MGM), was a security holder required to qualify in connection with the petition of MGM for issuance of a statement of compliance;

WHEREAS, also by Order PRN 1011307, the Director determined that Kirk Kerkorian, as Director of Tracinda, and Anthony L. Mandekic, as President and Chief Executive Officer of Tracinda as well as a member of the Board of Directors of MGM, were required to qualify in connection with the petition of MGM for issuance of a statement of compliance; and

WHEREAS, also by Order PRN 1011307, the Director determined that Daniel J. Taylor, as a member of the Board of Directors of MGM, was required to qualify in connection with the petition of MGM for issuance of a statement of compliance; and

WHEREAS, Daniel J. Taylor, an Executive of Tracinda, had been nominated for the MGM Board of Directors initially in 2007 by Tracinda, then the majority shareholder of MGM; and

WHEREAS, in September 2014 when the Casino Control Commission issued a statement of compliance to MGM with the recommendation of the Division, Tracinda held

approximately 18.6% of the issued and outstanding common stock shares of MGM; and

WHEREAS, after the death of Mr. Kerkorian on June 15, 2015, Tracinda and Mr. Mandekic, as the executor of Mr. Kerkorian's estate, have engaged in an orderly disposition of Tracinda's shares of MGM stock; and

WHEREAS, more recently, as set forth in filings with the U.S. Securities and Exchange Commission, pursuant to a letter agreement by and between MGM and Tracinda, MGM agreed to purchase 10,000,000 shares of Tracinda's MGM stock (Stock Repurchase), which transaction was completed on March 15, 2018; and

WHEREAS, as a result of the Stock Repurchase and a subsequent sale by Tracinda of additional MGM shares in late 2018, Tracinda owns approximately 4.8% of the issued and outstanding common stock shares of MGM; and

WHEREAS, in 2018, MGM re-nominated Mr. Taylor to continue to serve as a member of its Board of Directors and he was re-elected on May 2, 2018; and

WHEREAS, in 2018, Mr. Mandekic was not a nominee for continued service as a member of the MGM Board of Directors and therefore no longer serves as a Director; and

WHEREAS, by letter dated December 18, 2018 and as supplemented December 21, 2018, Tracinda seeks a determination by the Director of the Division that it and Anthony L. Mandekic are no longer required to qualify as a security holder and natural person qualifier, respectively, of MGM, based on Tracinda's current holdings of approximately 4.8% of the issued and outstanding shares of MGM; it is hereby

ORDERED, that in accordance with its change in ownership interest from approximately 18.6% to approximately 4.8%, Tracinda is hereby waived from the qualification requirement pursuant to *N.J.S.A. 5:12-85.1d*, subject to the following

requirements:

1. In the event that Tracinda's holdings in MGM increase to 5% or more of the outstanding common stock shares of MGM, Tracinda must notify the Division immediately; and

2. If Tracinda enters into any new agreements with MGM regarding Tracinda's further sale, MGM's repurchase, or Tracinda's purchase of any common stock shares of MGM, a copy shall be provided to the Division immediately upon execution; and it is further

ORDERED, that Anthony L. Mandekic, in accordance with the waiver of Tracinda from the qualification requirement, is no longer considered a necessary natural person qualifier of MGM; and it is further


ORDERED, that Daniel J. Taylor, as a current member of the Board of Directors of MGM, remains a necessary natural person qualifier of MGM and is currently qualified; and it is further

ORDERED that the Director reserves the right to require qualification under the Act of any security holder or natural person qualifier, including Tracinda and Mr. Mandekic, respectively, if the facts and circumstances change or the Director decides that qualification under the Act is warranted; and it is further

ORDERED that in the event Tracinda increases its interest as to MGM or seeks to exert any control over MGM, Tracinda's status under the Act will be reassessed and the ruling in this Order as to its status may be determined void and of no effect.

Dated: February 13, 2019

Casino Licensing



DAVID REBUCK
DIRECTOR