

INTERNATIONAL GAME TECHNOLOGY
Form SC 13D/A
December 27, 2001

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D

UNDER THE SECURITIES EXCHANGE ACT OF 1934
(AMENDMENT NO. 3)*

ACRES GAMING INCORPORATED
(NAME OF ISSUER)

COMMON STOCK
(TITLE OF CLASS OF SECURITIES)

004936100
(CUSIP NUMBER)

SARA BETH BROWN
SENIOR VICE PRESIDENT AND GENERAL COUNSEL
INTERNATIONAL GAME TECHNOLOGY
9295 PROTOTYPE DRIVE
RENO, NEVADA 89510
(775) 448-7777

(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON AUTHORIZED TO
RECEIVE NOTICES AND COMMUNICATIONS)

DECEMBER 26, 2001
(DATE OF EVENT WHICH REQUIRES FILING OF THIS STATEMENT)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(3) or (4), check the following box: []

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP NO. 004936100

-
- 1 NAME OF REPORTING PERSONS, I.R.S. Identification Nos. of Above Persons
IGT
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)
- (a) []
- (b) []

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3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)
Not applicable

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) or 2(e) [N/A]

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Nevada

7 SOLE VOTING POWER
See footnote 1

8 SHARED VOTING POWER
None

9 SOLE DISPOSITIVE POWER
See footnote 1

10 SHARED DISPOSITIVE POWER
None

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
See footnote 1

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES []

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
See footnote 1

14 TYPE OF REPORTING PERSON
CO

(1) On 1/28/97 IGT, a wholly owned subsidiary of International Game Technology, purchased 519,481 of Issuer's Series A Convertible Preferred Stock. The shares of Convertible Preferred Stock are convertible one-for-one into shares of Common Stock of the Issuer unless the average closing price of the Issuer's Common Stock for the period of thirty (30) days prior to the date of conversion of the shares of Series A Preferred Stock (the "Average Trading Price Per Share") is less than \$9.625 per share in which event the number of shares of Common Stock into which each share of Series A Preferred Stock is convertible will be equal to the quotient of (i) \$9.625 and (ii) the Average Trading Price Per Share. Based on the Average Trading Price Per Shares for the period ended December 24, 2001, the 519,481 shares of Series A Preferred Stock were convertible into 1,150,218 shares of Issuer's Common Stock and such number of shares would represent, after giving effect to the issuance of such shares, approximately 11.0% of the Issuer's outstanding Common Stock as reported in its Report on Form 10-Q for the quarter ended September 30, 2001. On December 26, 2001, IGT sent to the Issuer a Redemption Notice requesting that Issuer redeem all of the shares of Series A Preferred Stock owned by IGT. The Redemption Notice sets January 28, 2002 as the redemption date. The redemption price for the 519,481 shares owned by IGT is \$5,000,004 (Five Million Four Dollars).

1. NAME OF REPORTING PERSONS, I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

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INTERNATIONAL GAME TECHNOLOGY

2. CHECK THE APPROPRIATE BOX IF MEMBER OF A GROUP (SEE INSTRUCTIONS)
(A)
(B)
3. SEC USE ONLY
4. SOURCE OF FUNDS (See Instructions)
Not applicable
5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) or 2(e) [N/A]
6. CITIZENSHIP OR PLACE OF ORGANIZATION
Nevada
7. SOLE VOTING POWER
See footnote 1
- NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON
WITH
8. SHARED VOTING POWER
None
9. SOLE DISPOSITIVE POWER
See footnote 1
10. SHARED DISPOSITIVE POWER
None
11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
See footnote 1
12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES []
13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
See footnote 1
14. TYPE OF REPORTING PERSON
CO

INTRODUCTORY STATEMENT:

This Amendment is being filed to report that on December 26, 2001, IGT, a Nevada corporation ("IGT"), sent to Acres Gaming Incorporated, a Nevada corporation (the "Issuer"), a notice of redemption (the "Redemption Notice") requesting that Issuer redeem all of the shares of Series A Preferred Stock owned by IGT. The redemption notice sets January 28, 2002 as the redemption date. The redemption price for the 519,481 shares owned by IGT is \$5,000,004 (Five Million Four Dollars).

Items 1 through 7 are hereby amended and restated in their entirety to read as follows:

ITEM 1. SECURITY AND ISSUER

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This Schedule 13D relates to the Series A Convertible Preferred Stock, \$.01 par value per share, (the "Issuer Preferred Stock"), of the Issuer, which has its principal executive offices located at 7115 Amigo, Suite 150, Las Vegas, Nevada 89119.

ITEM 2. IDENTITY AND BACKGROUND

This Statement is filed on behalf of International Game Technology, a Nevada corporation (the "Company") and IGT, a wholly owned subsidiary of the Company. The Company and IGT design, develop and manufacture microprocessor-based gaming products and software systems, and have their principal business address and principal offices at 9295 Prototype, Reno, Nevada 89510.

The directors and executive officers of the Company are set forth as follows:

NAME -----	HOME OR BUSINESS ADDRESS -----	PRINCIPAL OCCUPATION OR EMPLOYMENT -----	NAME & ADDRESS OF CORP. OR OTHER ORG. IN WHICH EMPLOYED -----
G. Thomas Baker	9295 Prototype Drive Reno, NV 89510	Chief Executive Officer, President and Chief Operating Officer	International Game Technology 9295 Prototype Dr. Reno, NV 89510
Maureen Mullarkey	9295 Prototype Drive Reno, NV 89510	Senior Vice President of Finance, Chief Financial Officer and Treasurer	International Game Technology 9295 Prototype Dr. Reno, NV 89510
Charles N. Mathewson	9295 Prototype Drive Reno, NV 89510	Chairman	International Game Technology 9295 Prototype Dr. Reno, NV 89510
Sara Beth Brown	9295 Prototype Drive Reno, NV 89510	Senior Vice President, General Counsel and Secretary	International Game Technology 9295 Prototype Dr. Reno, NV 89510

NAME -----	HOME OR BUSINESS ADDRESS -----	PRINCIPAL OCCUPATION OR EMPLOYMENT -----	NAME & ADDRESS OF CORP. OR OTHER ORG. IN WHICH EMPLOYED -----
Robert A. Bittman	9295 Prototype Drive Reno, NV 89510	Executive Vice President, Product Development, and Director	International Game Technology 9295 Prototype Dr. Reno, NV 89510
Wilbur K. Keating	9295 Prototype Drive	Administrative	International Game

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	Reno, NV 89510	Officer for the National Association of State Retirement Administration and Director	Technology 9295 Prototype Dr. Reno, NV 89510
Robert Miller	9295 Prototype Drive Reno, NV 89510	Senior Partner at the law firm of Jones Vargas and Director	International Game Technology 9295 Prototype Dr. Reno, NV 89510
Frederick B. Rentschler	9295 Prototype Drive Reno, NV 89510	Retired in 1991 from position as President and CEO of Northwest Airlines. Director of the Company	International Game Technology 9295 Prototype Dr. Reno, NV 89510
Anthony Ciorciari	9295 Prototype Drive Reno, NV 89510	Senior Vice President, Operations	International Game Technology 9295 Prototype Dr. Reno, NV 89510
Richard Pennington	9295 Prototype Drive Reno, NV 89510	Senior Vice President, Product Management	International Game Technology 9295 Prototype Dr. Reno, NV 89510
Ward Chilton	9295 Prototype Drive Reno, NV 89510	Senior Vice President, North America Sales	International Game Technology 9295 Prototype Dr. Reno, NV 89510

The directors and executive officers of IGT are set forth as follows:

NAME -----	HOME OR BUSINESS ADDRESS -----	PRINCIPAL OCCUPATION OR EMPLOYMENT -----	NAME & ADDRESS OF CORP. OR OTHER ORG. IN WHICH EMPLOYED -----
Charles N. Mathewson	9295 Prototype Drive Reno, NV 89510	Chairman	IGT 9295 Prototype Dr. Reno, NV 89510
G. Thomas Baker	9295 Prototype Drive Reno, NV 89510	Chief Executive Officer, President, Chief Operating Officer and Director	IGT 9295 Prototype Dr. Reno, NV 89510
Sara Beth Brown	9295 Prototype Drive Reno, NV 89510	Senior Vice President, General Counsel, Secretary and Director	IGT 9295 Prototype Dr. Reno, NV 89510

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Maureen Mullarkey	9295 Prototype Drive Reno, NV 89510	Senior Vice President of Finance, Chief Financial Officer and Treasurer	IGT 9295 Prototype Dr. Reno, NV 89510
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During the last five years, no person named above has been (a) convicted in a criminal proceeding (excluding traffic violations and similar misdemeanors) or (b) was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to federal or state securities laws or finding any violation with respect to such laws.

All of the directors and executive officers of the Company and IGT are citizens of the United States.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

Amount: \$5,000,000

Source: Working Capital of IGT

ITEM 4. PURPOSE OF TRANSACTION

On December 26, 2001, IGT sent to the Issuer the Redemption Notice requesting that Issuer redeem all of the shares of Series A Preferred Stock owned by IGT. The Redemption Notice sets January 28, 2002 as the redemption date. The redemption price for the 519,481 shares owned by IGT is \$5,000,004 (Five Million Four Dollars).

ITEM 5. INTEREST IN THE SECURITIES OF THE ISSUER

(a) Number and Percentage of Shares IGT owns; 519,481 shares of Issuer's Series A Convertible Preferred Stock.

On 1/28/97 IGT, a wholly owned subsidiary of International Game Technology, purchased 519,481 of Issuer's Series A Convertible Preferred Stock. The shares of Convertible Preferred Stock are convertible one-for-one into shares of Common Stock of the Issuer unless the average closing price of the Issuer's Common Stock for the period of thirty (30) days prior to the date of conversion of the shares of Series A Preferred Stock (the "Average Trading Price Per Share") is less than \$9.625 per share in which event the number of shares of Common Stock into which each share of Series A Preferred Stock is convertible will be equal to the quotient of (i) \$9.625 and (ii) the Average Trading Price Per Share. Based on the Average Trading Price Per Shares for the period ended December 24, 2001, the 519,481 shares of Series A Preferred Stock were convertible into 1,150,218 shares of Issuer's Common Stock and such number of shares would represent, after giving effect to the issuance of such shares, approximately 11.0% of the Issuer's outstanding Common Stock as reported in its Report on Form 10-Q for the quarter ended September 30, 2001.

(b) Power to Vote and Dispose of Shares: IGT has the sole power to direct the disposition of and to vote 519,481 shares of Series A Convertible Preferred Stock.

On December 26, IGT sent to the Issuer the Redemption Notice. See

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Item 4 above.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

On December 26, 2001, IGT sent to the Issuer the Redemption Notice.

Each of the summaries set forth below is qualified in its entirety by reference to the Redemption Notice, Stock Purchase Agreement and the Registration Rights Agreement.

The shares of Series A Convertible Preferred Stock entitle IGT to elect one director of the Issuer. In addition, so long as 130,000 shares of Series A Convertible Preferred Stock (such number is to be increased by one share for each additional four shares of Series A Convertible Preferred Stock acquired by IGT anytime after January 28, 1997) remain outstanding the Issuer shall not, without the vote or written consent of the holder of the Series A Convertible Preferred Stock, approve any amendments to its Certificate of Incorporation or do any of the following: (a) alter or change the rights, preferences or privileges of the shares of Series A Convertible Preferred Stock; (b) increase the number of authorized shares of Series A Convertible Preferred Stock or issue any shares of stock with rights, including liquidation preferences, superior to the Series A Convertible Preferred Stock; (c) effect any sale, lease, assignment, transfer or other conveyance of all or substantially all of the assets of the Issuer or any of its subsidiaries or any consolidation or merger involving the Issuer or any of its subsidiaries if the Issuer or its subsidiary is not the surviving corporation, or any consolidation or merger involving the Issuer or any of its subsidiaries if the Issuer or its subsidiaries is the surviving corporation but the holders of the capital stock of the Issuer before the consolidation or merger own less than 50% of the Issuer

after the consolidation or merger, or any reclassification or other change of any stock, or any recapitalization of the Issuer, or any voluntary dissolution, liquidation or winding up of the Issuer; or (d) permit any direct or indirect subsidiary or other entity owned by the Issuer to sell any equity security or similar interest or any right to acquire any equity security or similar interest in such entity.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

Redemption Notice
Purchase Contract
Registration Rights Agreement
Certificate of Designation of Preferred Stock

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: December 26, 2001

IGT

By: /s/ Maureen Mullarkey

Maureen Mullarkey
Senior Vice President of Finance,
Chief Financial Officer and
Treasurer

INTERNATIONAL GAME TECHNOLOGY

By: /s/ Maureen Mullarkey

Maureen Mullarkey
Senior Vice President of Finance,
Chief Financial Officer and
Treasurer

EXHIBIT INDEX

1. Redemption Notice.
2. Purchase Contract (incorporated by reference to the Schedule 13D dated January 28, 1997).
3. Registration Rights Agreement (incorporated by reference to the Schedule 13D dated January 28, 1997).
4. Certificate of Designation of Preferred stock (incorporated by reference to the Schedule 13D dated January 28, 1997).