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ARIZONA CORPORATION COMMISSION

JAMES MATTHEWS  
EXECUTIVE SECRETARY

SECURITIES DIVISION  
1300 West Washington, Third Floor  
Phoenix, AZ 85007-2996  
TELEPHONE: (602) 542-4242  
FAX: (602) 594-7470

November 26, 1996

Allan J. Prival, Esq.  
2921 Tenth Street, Suite 6  
Santa Monica, CA 90405

RE: NTN Communications, Inc.  
R14-4-137

Dear Mr. Prival:

On the basis of the facts set forth in your letters of October 25, 1996, and November 26, 1996, and in reliance upon your opinion as counsel, the Securities Division will not recommend enforcement action for violation of the Securities Act of Arizona should the transaction take place as set forth in your letters.

As this position is premised upon the facts set forth in your letters, it should not be relied on for any other set of facts or by any other person. Please also note that this position applies only to the registration requirements of the Act; the anti-fraud provisions of the Act continue to be applicable.

We have attached photocopies of your letters. By doing this we are able to avoid having to recite or summarize the facts set forth therein.

Very truly yours,

  
VICTOR RODARTE  
Chief Deputy Director of Securities

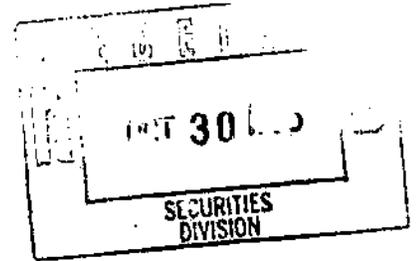
DRH:NC  
Attachment

**Allan J. Prival, Esq.**  
2921 Tenth Street, Suite 6  
Santa Monica, California 90405

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October 25, 1996

Nicholas J. Cornelius, Esq.  
Securities Division  
Corporation Commission  
1300 West Washington Street (3rd Floor)  
Phoenix, Arizona 85007



Re: NTN Communications, Inc.  
Request for Opinion or "No-Action" Letter

Dear Mr. Cornelius:

This request is made following our recent telephone conversations regarding the subject.

NTN Communications, Inc. ("NTN") is the defendant in a shareholders' class action filed in the United States District Court for the Southern District of California. The parties have agreed upon a settlement that has been incorporated into the Court's Final Judgment of Dismissal with Prejudice entered on September 24, 1996. The settlement requires NTN to issue and distribute to Authorized Claimants warrants to purchase 565,000 shares of common stock of NTN ("Settlement Warrants"). The Settlement Warrants and their underlying stock ("Underlying Stock") are to be listed on the American Stock Exchange ("AMEX") no later than the time of issuance of the Settlement Warrants.

No compensation will be paid to any person for the issuance of any Settlement Securities, exempt, of course, the exercise price paid to NTN for the Underlying Stock.

The Settlement Warrants are to be issued in reliance upon the exemption from registration provided by Section 3(a)(10) of the Securities Act of 1933, as amended.

The Underlying Stock is of equal rank to NTN common stock that has been trading on the AMEX for more than three years.

Both the Settlement Warrants and the Underlying Stock clearly are exempt from registration under Section 44-1843.A.7 of the Arizona Revised

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(310) 399-8056 or (310) 312-4242  
FAX: (310) 312-4224

*S-52631- none*  
*cc # 160752*  
*(200)*  
*10/30/96*  
*pk*

Statutes, as amended, as "... listed or approved for listing upon the issuance thereof upon... the American stock exchange...; and all securities... equal in rank to any securities so listed or approved for listing... or any warrant... to purchase... any of the foregoing." But Section 44-1801.9 specifically excludes NTN from the "dealer" definitional exclusion; while Section 44-1801.19 may include all persons, even those who perform even the most ministerial duties of processing claims for the Settlement Warrants or the exercises thereof and forwarding the Settlement Warrants or the Underlying Stock to Plaintiffs, as "salesmen."

"Dealer" and "salesman" registration exemptions do apply to the Rule R14-4-104 registration exemption for "the purpose of selling or offering to sell [Section 44-1843.A.7 exempt securities] to securities holders... of an issuer when the offering is made by the issuer...." But the settlement order does not require Authorized Claimants to be existing security holders of NTN, and we must assume that many are not.

Rule R14-4-137 provides a Section 44-1844 exemption, and therefore dealer and salesman registration exemptions, for an issuance of securities in exchange for bona fide claims "... within or from this state... which is made pursuant to a final judgment or order...." However, that rule calls for a filing to be made with your office "no less than ten calendar days prior to the hearing."

Because no such filing has been made to date, we therefore respectfully request either your Opinion that NTN nevertheless is entitled to utilize the Rule R14-4-137 exemption or, alternatively, your letter stating that your office will take no action against NTN or unregistered persons for effecting securities transactions described hereinabove.

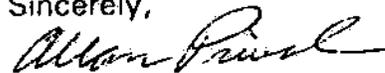
We have enclosed (a) the required \$200 filing fee check and (b) copies of the [Proposed] Final Judgment of Dismissal With Prejudice signed by the Honorable Gordon Thompson, Jr. over the name of the Honorable Napoleon A. Jones, Jr., fellow United States District Judge, and the Stipulation of Settlement upon which such [Proposed] Final Judgment is based.

Please call me at (310) 399-8056 or (310) 312-4242 upon completion of your review of this matter or if you have any questions.

Also, please date stamp the enclosed copy of this letter and return it in the envelope provided.

Thank you.

Sincerely,



Allan J. Prival

AJP:jl/Enclosures



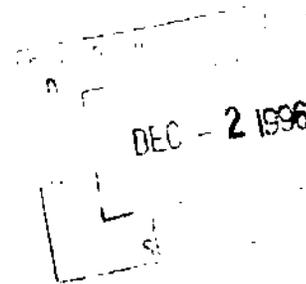
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November 26, 1996

**BY FACSIMILE TRANSMISSION**

Nicholas J. Cornelius, Esq.  
Securities Division  
Corporation Commission  
1300 West Washington Street (3rd Floor)  
Phoenix, Arizona 85007



Re: NTN Communications, Inc.  
Request for Opinion or "No-Action" Letter

Dear Mr. Cornelius:

As per our conversations today we wish to amend our previous letter to you dated October 24, 1996 in the regard that the warrants mentioned therein may or may not be approved for listing on the American Stock Exchange ("AMEX"). It is our understanding at this time that they probably will be so approved.

However, whether or not such warrants are or are not approved appears to be immaterial to the exemption for which we are applying. We therefore respectfully request that your exemption order or "no action" letter be worded in such a way that the exemption is not dependent on whether or not the warrants are approved for AMEX listing.

Thank you very much for your courtesy and consideration.

Sincerely,

A handwritten signature in cursive script that reads "Allan Prival Jr". The signature is written in dark ink and is positioned above the typed name.

Allan J. Prival, Esq.

AJP:jl

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