CSI - Ohio
The Common Sense Initiative

Business Regulation Impact Analysis

Agency Name: Ohio Casino Control Commission ("Commission")

Regulation/Package Title: Minimum Internal Control Standards 2015 (Transportation of electronic gaming equipment to and from a casino facility, Remote systems access, Annual audit; other reports; currency transaction reporting; suspicious transaction reporting, Complimentaries, Unsecured currency, vouchers, tickets, and coupons, Tips and gratuities, Credit, Slot machine tournaments, Exchange of value chips or non-value chips, Tournament chips and tournaments, Dice; receipt, storage, inspections, and removal from use, Table game and poker cards; specifications, Table game cards; receipt, storage, inspections, and removal from use, Automated table credits, Table game layouts, Minimum and maximum table game wagers, Promotional activities)

Rule Number(s): 3772-9-05 (amendment); 3772-9-11 (amendment); 3772-10-07 (amendment); 3772-10-09 (amendment); 3772-10-20 (amendment); 3772-10-22 (amendment); 3772-10-23 (amendment); 3772-10-29 (amendment); 3772-11-14 (amendment); 3772-11-18 (amendment); 3772-11-21 (amendment); 3772-11-22 (amendment); 3772-11-23 (amendment); 3772-11-33 (amendment); 3772-11-34 (amendment); 3772-11-37 (amendment); 3772-13-03 (amendment).
Date: May 19, 2015

Rule Type:

- ☐ New
- X Amended
- ☐ 5-Year Review
- ☐ Rescinded

The Common Sense Initiative was established by Executive Order 2011-01K and placed within the Office of the Lieutenant Governor. Under the CSI Initiative, agencies should balance the critical objectives of all regulations with the costs of compliance by the regulated parties. Agencies should promote transparency, consistency, predictability, and flexibility in regulatory activities. Agencies should prioritize compliance over punishment, and to that end, should utilize plain language in the development of regulations.

Regulatory Intent

1. **Please briefly describe the draft regulation in plain language.**
   Please include the key provisions of the regulation as well as any proposed amendments.

   The amendments contained within this package relate directly to the minimum internal control standards to which casino operators must adhere while conducting casino gaming. Many of these amendments require implementation of and adherence to internal controls to protect the integrity of casino gaming and casino patrons.

   In addition to the items specifically listed below, many of the amendments remove the terms "applicant" and "licensee" after "casino operator" in an effort to streamline Ohio Adm. Code 3772 in its entirety. This is accomplished, in part, by use of the defined term "casino operator," which became effective on December 21, 2013. *See* Ohio Adm. Code 3772-1-01(B)(2).

   - **3772-9-05**, titled "Transportation of electronic gaming equipment to and from a casino facility." Presently, the rule requires that all slot machine software be shipped to a casino only after the Executive Director has received notice of the shipment at least seven days in advance. This requirement is unnecessary and unduly burdensome because Commission gaming agents verify all slot machine software to ensure that it has been approved by the Commission before a slot machine may be opened on the gaming floor. The purpose of the rule is to remove this notice requirement.

   - **3772-9-11**, titled "Remote systems access." This amendment shifts the burden of providing remote access to electronic gaming equipment systems from gaming-related vendors to casino operators. Presently, the rule requires gaming-related vendors to develop unique accounts for each of its employees that may access systems at each casino. The purpose of this rule is to shift that requirement to casino operators because they are the entities responsible for maintaining all system accounts, connections, and/or systems at a casino facility.

   - **3772-10-07**, titled "Annual audit; other reports; currency transaction reporting; suspicious transaction reporting." This amendment removes a requirement that the casino operators submit copies of Currency Transaction Reports ("CTRs") to the Commission. Presently, the rule requires a casino operator to submit to the Commission copies of the CTRs that it must submit to the federal government. However, the Commission may access all of these filings on a federal database and a duplicate submission to the Commission creates unnecessary paperwork. The purpose of the rule is to remove redundant filing requirements while ensuring that the Commission has access to all information and/or records necessary to ensure the integrity of casino gaming.

   - **3772-10-09**, titled "Complimentaries." This amendment contains changes that have developed as a result of Commission audits. The purpose of the rule is to establish a minimum threshold for reporting complimentaries based on the minimum threshold each

casino already established in their Commission-approved internal controls. In addition, the amendment replaces the term "occurrence" with "gaming date" to clarify the complimentary reporting period. Finally, some language was rearranged for the sake of clarity and continuity in order to avoid further confusion in the interpretation and/or enforcement of the rule.

- **3772-10-20**, titled "Unsecured currency, vouchers, tickets and coupons." The amendment removes the requirement that unsecured currency be transported to the cashier's cage specifically in an envelope. The purpose of this amendment is to remove this unnecessary and potentially burdensome regulatory requirement and allow casino operators to choose the vehicle for transporting unsecured currency according to the process detailed in the rule.

- **3772-10-22**, titled "Tips and gratuities." The amendment removes the requirement that all tips and gratuities a dealer receives be immediately deposited into a box reserved for tips and gratuities. The purpose of the amendment is to allow casino operators to use chip tubes, standard industry equipment, which allow dealers to collect chips and "color up" or exchange a group of chips for a chip of equal value in order to reduce the amount of chips collected in a tip box.

- **3772-10-23**, titled "Credit." The amendment provides regulatory framework for how markers may be issued and deposited in Ohio. Presently, the rule is silent on this issue, resulting in varied practices with no clear regulatory structure. The purpose of the rule is to establish the minimum requirements that a casino operator must have in its internal controls if it chooses to issue markers to its patrons.

- **3772-10-29**, titled "Slot machine tournaments." The amendment provides more consistency between slot machine tournaments and table game tournaments. Presently, the rule requires that casino operators submit written notice to the Executive Director at least seven days before the proposed slot machine tournament. The amendment expands the notice period to at least thirty days, which is consistent with table game tournaments in Ohio Adm. Code 3772-11-18, and will reduce confusion between the two. Further, it allows for casino operators to host slot machine tournaments in areas that may not have access to the slot management system as long as it is monitored by a different method approved by the Executive Director. The purpose of this amendment is to afford casino operators more flexibility to hold slot machine tournaments as they see fit, subject to Commission approval, while providing more consistency between the rules governing slot machine and table game tournaments.

- **3772-11-14**, titled **"**Exchange of value chips or non-value chips." The amendment provides regulatory framework for casino operators to exchange foreign chips. Presently, the rule prohibits casino operators from knowingly redeeming gaming chips from another casino facility but is silent with respect to how casino operators should handle a foreign chip that may, on occasion, enter the facility. The purpose of the rule is to prohibit casino

operators from allowing patrons to wager, exchange, use, or redeem gaming chips issued by another casino unless the Commission has approved internal controls for doing so.

- **3772-11-18**, titled "Tournament chips and tournaments." The amendment provides flexibility for casino operators to submit notice of intent to conduct a tournament less than thirty days before the intended start date of the table game tournament with the approval of the Executive Director. Presently, the rule explicitly requires thirty days' notice. The purpose of this amendment is to provide casino operators with more flexibility to hold table game tournaments as they see fit, subject to Commission approval, while providing more consistency between the rules governing slot machine and table game tournaments.

- **3772-11-21**, titled "Dice; receipt, storage, inspections, and removal from use." The amendment clarifies the procedures required for inspecting dice before being placed into play. Presently, the language requires that inspection take place before each gaming day, that the inspection take place in front of a floor supervisor and specifies the equipment, location, and procedures to be used. The amendment allows the casinos to conduct the inspection at any Commission-approved time listed in their internal controls. Further, the amendment removes the requirement that the inspection take place in front of a floor supervisor because the process is already in view of surveillance. Finally, the amendment prohibits any scribes or marks on the dice after inspection to further reduce the risk for tampering. The purpose of this amendment is to allow some flexibility to the casino operators during dice inspection while still ensuring that only compliant dice are used in Ohio.

- **3772-11-22**, titled "Table game and poker cards; specifications." Just as in the amendment to Ohio Adm. Code 3772-11-23, this amendment is the result of a waiver that the Commission granted to each of the casinos. Presently, the language concerning the packaging of cards does not contemplate packages of pre-shuffled decks of cards. After a thorough investigation of the manufacturer's facility, a licensed gaming-related vendor, to ensure adequate quality controls, the Commission granted waivers to each of the casino operators for the use of packages of pre-shuffled decks as long as they have Commission-approved controls for doing so. The amendment still requires the casinos to reshuffle and verify every tenth package that contains multiple pre-shuffled decks of cards, as an added cautionary measure. The purpose of the amendment is to make the rule reflect present practice statewide, which has already been considered and approved by the Commission.

- **3772-11-23**, titled "Table game cards; receipt, storage, inspections, and removal from use." Just as in Ohio Adm. Code 3772-11-22, this amendment is the result of a waiver that the Commission granted to each of the casinos. Presently, the language concerning card inspection and destruction does not contemplate packages of pre-shuffled decks of cards. The amendment specifies how packages of pre-shuffled decks of cards should be inspected and what must be done if any card or cards are deemed unsuitable for use. The

purpose of the amendment is to provide controls for the inspection and destruction of packages of pre-shuffled decks of cards in order to reflect present practice in the State of Ohio, which has already been considered and approved by the Commission.

- **3772-11-33**, titled **"**Automated table credits." The amendment adds table games supervisors to the individuals permitted to enter requests for automated table game credits. Presently the language only permits a table game manager or a pit clerk to do so. The purpose of the language is to afford some flexibility in who may make such a request to account for staffing levels, while still limiting this authority to certain individuals.

- **3772-11-34**, titled "Table game layouts." The amendment specifies that table game layouts not being used for casino gaming or stored in a secure area must be destroyed and removed from the casino facility. Presently, the rule is silent on this issue. The purpose of this amendment is to provide guidance to the casinos in the use, storage, and removal of table game layouts.

- **3772-11-37**, titled "Minimum and maximum table game wagers." The amendment prohibits casinos from accepting wagers from anyone other than an individual wagering from a recognized table position. Presently, the rule does not contemplate this type of wagering. However, Commission staff recognized a need for clarification regarding payouts as the result of patrons "piggybacking" their wagers in games where that was not specifically prohibited. The purpose of this amendment is to expressly prohibit this type of wagering unless the Commission approves a casino's specific controls to allow it.

- **3772-13-03**, titled "Promotional activities." This amendment adds requirements for each casino's internal controls governing promotions. Presently, the rule does not specifically require controls for the delegation of authority to approve the issuance of promotional slot or table credits and the limits that apply to each authority. The purpose of this amendment is to integrate those requirements into each casino's promotions internal controls to more closely align with the requirement for issuing casino credit in Ohio Adm. Code 3772-10-23.

2. Please list the Ohio statute authorizing the Agency to adopt this regulation.

R.C. 3772.03 and 3772.033

3. Does the regulation implement a federal requirement? Is the proposed regulation being adopted or amended to enable the state to obtain or maintain approval to administer and enforce a federal law or to participate in a federal program?
If yes, please briefly explain the source and substance of the federal requirement.

Not applicable.

4. **If the regulation includes provisions not specifically required by the federal government, please explain the rationale for exceeding the federal requirement.**

   This question does not apply to these amendments because the federal government does not regulate casino gaming in this state. Rather, casino gaming is permitted pursuant to Article XV, Section 6(C) of the Ohio Constitution and is controlled by Ohio's Casino Control Act (i.e., R.C. Chapter 3772).

5. **What is the public purpose for this regulation (i.e., why does the Agency feel that there needs to be any regulation in this area at all)?**

   Article XV, Section 6(C) of the Ohio Constitution and R.C. Chapter 3772 require the Commission to ensure the integrity of casino gaming and to prescribe rules for how casino gaming should be conducted (i.e., minimum internal control standards). To ensure the integrity of casino gaming, it is imperative to protect casino patrons and to maintain the integrity of gaming equipment. These amendments are designed to effectuate this constitutional and statutory mandate by establishing minimum internal control standards for transactions occurring at the casino facilities, transportation and maintenance of gaming equipment, and for the protection of the patrons and members of the public.

6. **How will the Agency measure the success of this regulation in terms of outputs and/or outcomes?**

   Overall, the Commission will measure the success of these amended rules in terms of whether they help to ensure the integrity of casino gaming and protect the casino patrons. This can be done in two ways: First, through evaluating whether the administrative cost of implementing and enforcing the proposed rules outweighs their public benefit. Second, through analyzing the regulated community's comments about requests for waivers or variances from these rules once they are implemented.

Development of the Regulation

7. **Please list the stakeholders included by the Agency in the development or initial review of the draft regulation.**
   If applicable, please include the date and medium by which the stakeholders were initially contacted.

   Casino Operators

   - Penn National Gaming, Inc. (Hollywood Casinos Columbus & Toledo)
   - Rock Ohio Caesars – joint venture between Rock Gaming and Caesars Entertainment (Horseshoe Casinos Cleveland & Cincinnati)

   First, the above-listed casino operators were contacted via email with the amendments on March 6, 2015 at 1:15 P.M. On March 11, 2015, Commission staff had a conference call with each of the four Regulatory Compliance Officers ("RCO") to discuss the amendments.

Finally, the Commission provided an updated version of the amendments to the RCOs on March 19, 2015 at 12:59 P.M. Notably, the casino operators were permitted to review and comment on the amendments before submission to the members of the Commission for consideration of initial filing, at the April 15, 2015 Commission Meeting. (Exhibits 1-2.)

Second, Commission staff reached out to three of the RCOs to aid in determining the data used to calculate the potential economic impact from each of the proposed amendments in this package. The conversations with the individuals who were responsive are referenced throughout this Business Regulation Impact Analysis and are attached as exhibits.

8. What input was provided by the stakeholders, and how did that input affect the draft regulation being proposed by the Agency?

After sending the amendments to the RCOs on March 6, 2015, the Commission received some feedback during the subsequent conference call. The Commission received no feedback after the updated version of the amendments was sent on March 19, 2015. Once again, the input received in order to collect data and calculate potential economic impact potential economic impact of the amendments is referenced throughout this Business Regulation Impact Analysis and is attached in various exhibits.

9. What scientific data was used to develop the rule or the measurable outcomes of the rule? How does this data support the regulation being proposed?

This question does not apply to these amendments because no scientific data was necessary to develop or measure their outcomes. Instead, the Commission staff reviewed how other jurisdictions approached establishing minimum internal control standards. Further, the Commission staff considered whether existing rules were the most efficient means by which to maintain the integrity of casino gaming and whether any waivers or variances had been requested and granted to the regulated community. In so doing, the Commission was able to use, as much as possible, rules the regulated community is accustomed to, with minor adaptations to remain in compliance with Ohio law.

10. What alternative regulations (or specific provisions within the regulation) did the Agency consider, and why did it determine that these alternatives were not appropriate? If none, why didn't the Agency consider regulatory alternatives?

The Commission staff reviewed the rules adopted in other jurisdictions, including Kansas and New Jersey. Further, the Commission staff considered any waivers or variances to existing rules that had been requested and granted. The amendments are a conglomeration of the rules used in other jurisdictions with adaptations made for the Ohio jurisdiction and are, in some cases, the result of discussions between Commission staff and the regulated community, including reflections of existing waivers.

11. Did the Agency specifically consider a performance-based regulation? Please explain. ***Performance-based regulations define the required outcome, but don't dictate the process the regulated stakeholders must use to achieve compliance.***

The rules include a performance-based component wherein they set the floor for compliance but do not completely dictate how the casino operators and gaming-related vendors are supposed to achieve compliance. Additionally, Ohio Adm. Code 3772-1-04 allows the casino operators and gaming related vendors to seek waivers and variances from these rules, which the Commission will evaluate on a case-by-case basis and may grant as long as it determines that doing so is in the public's best interest. The rules, however, are not entirely performance-based in that they establish a protocol whereby the casino operators must submit their internal control standards to the Commission for approval before implementation.

12. What measures did the Agency take to ensure that this regulation does not duplicate an existing Ohio regulation?

This question does not apply to these amendments because no other regulations in this area currently exist with respect to casino gaming in this state. To the extent that this package amends existing administrative rules, several within the package bring clarity to requirements in R.C. Chapter 3772 and Ohio Adm. Code 3772 and codify existing waivers.

13. Please describe the Agency's plan for implementation of the regulation, including any measures to ensure that the regulation is applied consistently and predictably for the regulated community.

At each casino facility, there are gaming agents and financial auditors observing, evaluating, and investigating the operations. In addition, the Commission's Regulatory Compliance personnel consistently perform various operational audits, including table game and electronic gaming equipment audits. Any issues that arise in the gaming process (i.e., from manufacturing to the actual conducting of casino games) will be funneled to the Commission's central office in Columbus, Ohio, where the Executive Director and his division directors can coordinate a consistent response and conduct outreach to the regulated community.

Adverse Impact to Business

14. Provide a summary of the estimated cost of compliance with the rule. Specifically, please do the following:

a. Identify the scope of the impacted business community;

The casino operators, management companies, and gaming-related vendors are the impacted business community with respect to these amendments.

b. Identify the nature of the adverse impact (e.g., license fees, fines, employer time for compliance); and

The nature of the potential adverse impact from the amendments includes fines for noncompliance, costs for employer time and payroll, and the potential for other monetary costs to the operators.

c. Quantify the expected adverse impact from the regulation.
The adverse impact can be quantified in terms of dollars, hours to comply, or other factors; and may be estimated for the entire regulated population or for a "representative business." Please include the source for your information/estimated impact.

3772-9-05 Transportation of electronic gaming equipment to and from a casino facility.

The current rule requires that notice be submitted to the Executive Director at least seven days before all slot machine software is shipped to a casino facility. However, the cost of compliance for providing adequate notice exceeds the benefit gained. Controls are in place to ensure the integrity of these items upon arrival at a casino facility. Specifically, Commission gaming agents verify all slot machine software to ensure that it has been approved by the Commission before a slot machine may be opened on the gaming floor. This notice requirement, specifically for slot machine software, is unnecessary and results in the creation, submission, and maintenance of superfluous paperwork, with no real regulatory benefit.

The Commission does not anticipate the amendment will have an adverse economic impact. Rather, it will likely have a positive impact because the casino operators will no longer be required to supply the Commission with notice of shipment of slot software. As an illustration, according to Robert Wamsley, the RCO for Horseshoe Casino Cincinnati, the cost for compliance to the existing rule is approximately $612.00, annually. (Exhibit 3.) The other casino operators likely replace slot machine software at a similar rate with similar associated costs, and, therefore, would enjoy similar annual savings, in addition to eliminating the time spent in order to ensure compliance and the cost of non-compliance.

3772-9-11 Remote systems access.

Presently, the rule requires each gaming-related vendor to develop unique accounts for its employees that may remotely access electronic gaming equipment systems at each casino facility for repairs and maintenance. However, casino operators are the entities responsible for maintaining all other system accounts, connections, and systems at a casino facility. The purpose of this amendment is to shift the burden of providing remote access to electronic gaming equipment systems from gaming-

related vendors to casino operators. In addition, this amendment removes the necessity for unique accounts assigned to individuals and instead requires that casino operators maintain one unique account per gaming-related vendor.

The Commission does not anticipate this amendment will have a negative impact on business in Ohio. Rather, it will likely have a positive impact because it will reduce the number of unique system accounts that must be created and maintained securely and shifts the burden of maintaining and securing the accounts to the casino operators, which are more sufficiently equipped to do so, in order to accommodate remote maintenance and repairs, whenever necessary.

3772-10-07 Annual audit; other reports; currency transaction reporting; suspicious transaction reporting.

The amendment eliminates a redundant filing requirement, streamlines the casino operators' reporting requirements, and reduces the burden to comply with additional regulations. Therefore, there is no adverse impact on business or added cost of compliance related to this amendment; if anything, it positively impacts the regulated community. As an illustration, Commission staff contacted June Harwood, the RCO for Horseshoe Casino Cleveland. Ms. Harwood explained that the amendment would save the casino approximately three hours of work per week, or up to 156 hours each year. (Exhibit 4.)

3772-10-09 Complimentaries.

As stated above, this amendment is a result of several Commission audits. The complimentary reporting period was amended to a definable term, "gaming date," which further clarifies the requirements of this rule. The purpose of the amendment is to reduce confusion among the regulated community with respect to complimentary administration and reporting. Further, among other things, the amendment eliminates a requirement to file complimentary reports with the Commission on a quarterly basis. Instead, casino operators must simply record and verify certain transactions valued at six hundred dollars or more to a patron in a twenty-four hour gaming date. Presently, each of the casino operators' Commission-approved internal controls already contains similar provisions with minimum thresholds ranging from $150.00-600.00. Because the casinos are already operating in compliance with self-imposed restrictions, which are at least as strict as the amendment, no additional action is necessary. As a result, the Commission does not anticipate any negative economic impact to the regulated community because the amendment does not impose any new restrictions. Rather, it clarifies existing language and more accurately reflects the Commission's interpretation and expectation of the existing language of this rule.

3772-10-20 Unsecured currency, vouchers, tickets, and coupons.

The amendment removes the requirement that unsecured currency be transported to the cashier's cage specifically in an envelope. The purpose of this amendment is to remove this unnecessary and potentially burdensome regulatory requirement and allow casino operators to choose the vehicle for transporting unsecured currency according to the process detailed in the rule.

The Commission does not anticipate the amendment will have an adverse impact on business. Rather, it will likely result in a positive impact because the casino operators can choose the vehicle used to transport unsecured currency. In order to quantify this impact, Commission staff contacted June Harwood, the Regulatory Compliance Officer for Horseshoe Cleveland. Ms. Harwood indicated that the cost of the envelope is nominal and that on average there are 3-4 unsecured currency instances per week or 156-208 annually. Ms. Hardwood also indicated that the cost per envelope is approximately three cents, saving the casino approximately $4.68 - $6.24 annually (Exhibit 5). So, in addition to the nominal savings the casino operators will enjoy as a result of the amendment, the true benefit is that they will no longer need to comply with the envelope requirement and can choose which vehicle to transport unsecured currency to ensure that it is the most efficient method for their property.

3772-10-22 Tips and gratuities.

The Commission does not anticipate a negative impact or any cost of compliance as a result of this amendment. Presently, there exists some confusion as to how dealers should handle tips received from patrons and whether it is necessary to place the tips into a transparent locked box without delay. The amendment, which removes the word "immediately," reflects the Commission's existing interpretation, standard industry practice, and clarifies that the rule is intended to allow for dealers to organize and "color up" (exchange several small denomination chips for an equivalent larger denomination chip) before placing the tip into the transparent locked box. This practice allows for easier storage and counting of tips for the casino operator. The purpose of the amendment is to simply eliminate confusion and codify present practice.

3772-10-23 Credit.

The existing language is silent with respect to the issuance and deposit of markers. The amendment provides a regulatory framework to do so and will allow casino operators to expand the services provided to patrons, as long as they do so according to Commission-approved internal controls. The Commission does not expect the amendment to have an adverse impact on business. Rather, this amendment affords casino operators the opportunity to potentially improve business by expanding the services provided to patrons.

Negligible costs of compliance include certain administrative requirements related to the preparation of and adherence to Commission-approved internal controls. Notably, a casino operator will incur these costs only if it chooses to expand its credit services to include the issuance and deposit of markers.

3772-10-29 Slot machine tournaments.

The current rule requires that casino operators submit written notice to the Executive Director at least seven days before the proposed slot machine tournament. The amendment expands the notice period to at least thirty days, which provides consistency between slot machine tournaments and table game tournaments. Further, the rule allows for casino operators to host slot machine tournaments in areas that may not have access to the slot management system, as long as the tournament is monitored by a different method approved by the Executive Director.

The purpose of this amendment is to afford casino operators more flexibility to hold slot machine tournaments as they see fit, subject to Commission approval, while providing more consistency between the rules governing slot machine and table game tournaments. The Commission does not anticipate a negative impact on business. Nominal costs of compliance may include the adjustments necessary to abide by the extended notice requirement. However, as stated above, casino operators must already submit written notice of table game tournaments to the Executive Director at least thirty days in advance. So, it is likely that they may be able to adjust existing notice submission procedures to apply to slot tournaments. In addition, the amendment allows for the Executive Director or the Executive Director's designee to consider submissions that are requested less than 30 days in advance, if necessary, which provides some flexibility to the enforcement of the extended notice requirement.

3772-11-14 Exchange of value chips or non-value chips.

The existing language in the rule prohibits casino operators from knowingly redeeming gaming chips from another casino facility, but is silent with respect to how casino operators should handle a foreign chip that may, on occasion, enter the facility. The effect of the amendment is that casino operators are prohibited from allowing casino operators to wager, exchange, use, or redeem gaming chips issued by another casino unless they do so according to Commission-approved internal controls.

The Commission does not expect the amendment to have an adverse impact on business because the prohibition of use of foreign gaming chips is consistent between the existing language and proposed amendment. Negligible costs of compliance include certain administrative requirements related to the preparation of and adherence to Commission-approved internal controls. Notably, a casino operator will incur these costs only if it chooses to adopt internal controls in order to

circumvent the express prohibition contained within the amendment, which does not otherwise require the adoption of internal controls.

3772-11-18 Tournament chips and tournaments.

The Commission does not anticipate that this amendment will have an adverse impact on business. Instead, it streamlines this rule with Ohio Adm. Code 3772-10-29 with respect to tournament submissions. Currently, table game tournament submissions must be submitted to the Executive Director at least thirty days before the event. The amendment allows for the Executive Director or the Executive Director's designee to consider submissions less than thirty days in advance. Because casino operators must already submit notice of table game tournaments at least thirty days in advance, no adjustments to ensure compliance are necessary.

3772-11-21 Dice; receipt, storage, inspections, and removal from use.

The amendment clarifies the procedures necessary for inspecting dice before being placed into play. It does not create any additional inspection requirements. Rather, it expands the casino operators' freedom in conducting the inspections because it allows them to choose when to conduct the daily inspections rather than at the commencement of each gaming day, which the existing rule requires. Further, the express prohibition of scribes and/or marks on the dice after inspection could result in reduced costs for casino operators because the prohibition will lessen the risk of tampering and need for replacements.

The Commission does not expect the amendment to have an adverse impact on business because the changes simply clarify existing requirements under which the casino operators have been operating for at least two years. Negligible costs of compliance include certain administrative requirements related to the preparation of and adherence to Commission-approved internal controls, but, as described above, this amendment reduces the burden on the casinos by allowing them to select the most appropriate time to conduct dice inspections, subject to Commission-approval, which helps with compliance.

3772-11-22 Table game and poker cards; specifications.

Just as in the amendment to Ohio Adm. Code 3772-11-23, this amendment is the result of a waiver that the Commission granted to each of the casinos on May 22, 2014. (Exhibit 6.) Presently, the language concerning the packaging of cards does not contemplate packages of pre-shuffled decks of cards. The waivers allowed each casino operator to accept pre-shuffled cards for Blackjack and Mini-Baccarat, only from Commission-approved vendors whose automated pre-shuffling process had been reviewed and approved by Commission staff.

The Commission does not anticipate a negative impact on business or added cost of compliance as a result of this amendment. Rather, it will likely result in a positive impact because the casino operators will no longer be required to remove and destroy entire sets of decks of cards when a single card becomes damaged in a game dealt from multiple decks. In their requests for the waiver, which was granted approximately one year ago, each of the casinos submitted the anticipated benefits they would enjoy:

- "Improved game protection, attention on customer service, improved utilization with accurate head counts, and improved accuracy with player ratings." (Hollywood Casino Columbus, Exhibit 7.)

- "Pre-shuffled decks will add a higher level of efficiency and game protection to our business . . . labor saving opportunities. Currently, it takes upwards of 40 minutes to fully inspect 16 decks of cards for a blackjack game . . . Pre-shuffled decks substitute technology for the human factor, which can potentially overlook missing or duplicate cards . . . [and] will reduce waste that comes from card packaging and non-playable cards." (Horseshoe Casino Cincinnati, Exhibit 8.)

- "Reduction of defects in playing cards . . . decreased time opening decks and removing non-playable cards prior to starting a game. (Results: more hands per hour, opening game productivity – 80% . . . no need for human interaction with the cards prior to putting them into play . . . elimination of potential collusion between personnel inspecting cards and players." (Horseshoe Casino Cleveland, Exhibit 9.)

- "Improved game protection . . . reduces the potential for error that could occur during inspections of cards not pre-shuffled . . . reduce the potential for supervisor/dealer collusion with the manipulation of hand-checked cards." (Hollywood Casino Toledo, Exhibit 10.)

As a result of the waiver, the casino operators have been enjoying these benefits and will continue to do so under this amendment, which simply codifies present practice, as approved within the waiver.

3772-11-23 Table game cards; receipt, storage, inspections, and removal from use.

Just as in the amendment to Ohio Adm. Code 3772-11-22, this amendment is the result of a waiver that the Commission granted to each of the casinos on May 22, 2014. (Exhibit 6.) Again, the existing rule does not contemplate the inspection and destruction of packages of pre-shuffled decks of cards. As a result, the amendment contains the inspection and destruction process that was approved by the Commission

when it granted the waivers on May 22, 2014. The Commission does not anticipate a negative impact on business or added cost of compliance as a result of this amendment because this is the process that the casinos have been operating under for approximately one year, according to their Commission-approved internal controls, as a result of the waiver.

3772-11-33 Automated table credits.

The Commission does not anticipate that this amendment will result in a negative impact on business. Presently, the rule only permits a table game manager or pit clerk to enter requests for automated table game credits. In practice, however, a table game supervisor will often be available and has sufficient authority to complete this task. Therefore, this amendment allows for table games supervisors to request automated table credits, in addition to table games managers and pit clerks. Further, the Commission has already granted a waiver of this rule to Hollywood Casino Columbus and Hollywood Casino Toledo. Finally, the expansion of authority to table games supervisors synchronizes this rule with the authority provided by Ohio Adm. Code 3772-11-31. As a result, the Commission does not anticipate any adverse impact on business or added cost of compliance; if anything, this reduces the burden on the casinos by authorizing more individuals to complete this task, which helps with compliance and efficiency.

3772-11-34 Table game layouts.

The amendment specifies that table game layouts not being used for casino gaming or stored in a secure area must be destroyed and removed from the casino facility. Presently, the rule is silent on this issue and, therefore, provides no guidance to the casino operators. The purpose of the amendment is to provide that guidance. The Commission anticipates no negative impact on business and a minimal cost of compliance with respect to destruction as a result of this amendment for two reasons: First, all casino operators are already either using table game layouts for casino gaming or storing them in a secure area and, therefore, need not take any further action in order to comply with the amendment. Second, the amendment does not specify the manner in which destruction must occur, which allows the casino operators to choose the most cost-effective manner in doing so. To be clear, the costs of destruction will only arise if the casino operators choose to destroy table game layouts, which is only required by the language, if the layouts are not either used for casino gaming or stored in a secure area.

3772-11-37 Minimum and maximum table game wagers.

The amendment expressly prohibits casino operators from accepting wagers from anyone other than an individual wagering from a recognized table position, unless it has Commission-approved internal controls in place for handling that type of wager.

The purpose of this amendment goes directly to the Commission's responsibility to ensure the integrity of casino gaming. If patrons are permitted to "piggy-back" wagers, it may be difficult, often impossible, to determine who actually placed the wager and may be entitled to payment. Further, Ohio Adm. Code 3772-19-07 requires sufficient surveillance coverage to identify all patrons and dealers at table game areas, which could be hampered by permitting this type of wagering. Notably, casino operators are still permitted to do so if they have Commission-approved internal controls to cover all necessary accounting, security, and surveillance issues that may arise. Therefore, the Commission does not anticipate a negative impact on business because although it contains an express prohibition of an activity that casino operators are currently permitted to participate in, they may still engage in the practice if they do so according to Commission-approved internal controls. Negligible costs of compliance may arise should a casino operator choose to permit this type of wager. Those costs include certain administrative requirements related to the preparation of and adherence to Commission-approved internal controls. The casino operators did not provide the Commission with any feedback regarding the impact of this amendment.

3772-13-03 Promotional activities.

The existing language does not provide guidance for the delegation of authority to approve the issuance of promotional slot or table credits and the limits that apply to each authority so the purpose of the amendment is to provide that regulatory framework. Having limits on the amount of promotional credits that any position may issue provides some oversight and a safety net to ensure that appropriate amounts are given, according to all laws and controls governing promotional activity, likely reducing waste and unsupervised issuances. This, in turn, will reduce the risk of fraudulent promotions, wherein an employee may issue credits to associates for criminal purpose. The Commission does not anticipate a negative impact on business as a result of this amendment because it serves to protect the casino operators' assets by limiting the individuals who may issue promotional credits and to what extent. Negligible costs of compliance may arise, including certain administrative requirements related to the preparation of and adherence to Commission-approved internal controls.

15. Why did the Agency determine that the regulatory intent justifies the adverse impact to the regulated business community?

Each of the rules in this package is needed to correct current issues, such as conflicting provisions of law, or to clarify the Commission's interpretation of a particular rule. Additionally, the regulatory intent justifies any adverse impact because Article XV, Section 6(C) of the Ohio Constitution and R.C. Chapter 3772 require the Commission to ensure the integrity of casino gaming. To do so, the Commission is charged with the responsibility of requiring the casinos to establish and implement internal control standards.

Moreover, the regulatory intent justifies any adverse impact because casino gaming is a highly regulated industry. Unregulated gaming poses a threat to the public welfare and raises the potential for fraud and abuse. To mitigate these threats, the Commission, like other gaming regulatory bodies, is using its regulatory authority to establish a best practice framework that licensed casinos, gaming-related vendors, and casino gaming employees must follow.

Regulatory Flexibility

16. Does the regulation provide any exemptions or alternative means of compliance for small businesses? Please explain.

Yes (indirectly), though it is unlikely this will be necessary since these proposed regulations only impact the casinos and certain gaming-related vendors, none of which likely constitute a small business. Further, these amendments indirectly provide exemption or alternative means of compliance through Ohio Adm. Code 3772-1-04, which permits the Commission, upon written request, to grant waivers and variances from the rules adopted under R.C. Chapter 3772, including these rules, if doing so is in the best interest of the public and will maintain the integrity of casino gaming in the State of Ohio.

17. How will the agency apply Ohio Revised Code section 119.14 (waiver of fines and penalties for paperwork violations and first-time offenders) into implementation of the regulation?

Though it is unlikely R.C. 119.14 will apply to these amendments because the rules only impact the casinos and certain gaming-related vendors, none of which likely constitute a small business, the Commission will adhere to the statutory requirements thereunder, if applicable.

To the extent R.C. 119.14 would apply to a violation of these amendments, the Commission will provide verbal and written notification to the small business in an attempt to correct the paperwork violation. Thereafter, the Commission would allow the small business a reasonable time to correct the violation. The Commission and its staff would also offer any additional assistance necessary to aid in remediation of the violation. No further action would be taken unless the small business fails to remedy the violation within the reasonable time allotted by the Commission.

18. What resources are available to assist small businesses with compliance of the regulation?

The Commission and its staff are dedicated to working with members of the regulated community and the public to effectively and efficiently regulate casino gaming in this state. As a result, the following resources are available:

- Commission's mailing address:
  10 W. Broad Street, 6th Floor
  Columbus, Ohio 43215

- Commission's toll free telephone number: (855) 800-0058

- Commission's fax number: (614) 485-1007

- Commission's website: http://www.casinocontrol.ohio.gov/

- Commission's email: info@casinocontrol.ohio.gov

- Sign up for Commission's email updates:
  http://www.casinocontrol.ohio.gov/joinus.aspx

Also, all members of the regulated community and public may, in accordance with rule 3772-2-04, request to address the Commission during a public meeting. Finally, all members of the regulated community may, pursuant to rule 3772-1-04, request waivers and variances from Commission regulations.

EXHIBIT 1

Siba, Michelle

From: Siba, Michelle
Sent: Friday, March 06, 2015 1:15 PM
To: Alistair Cameron <Alistair.Cameron@pngaming.com> (Alistair.Cameron@pngaming.com); Rick Galloway (rick.galloway@pngaming.com); Robert Wamsley; 'jharwood@caesars.com'
Cc: John Barron; Oyster, Matt; Martin, Patrick
Subject: OCCC rule revisions
Attachments: Rule Changes.pdf

Good Afternoon RCOs,

I have attached a document that contains the next set of Ohio Administrative Code 3772 amendments. Please share with your teams for review and provide any comments or questions that you may have. Of course, you may also make formal comments as these changes flow through the adoption process.

Please submit any comments or questions you may have via email by next Friday, March 13 at 5 PM.

Thank you,

Michelle Siba
Assistant General Counsel
Ohio Casino Control Commission
(614) 387-0485

EXHIBIT 2

Siba, Michelle

From: Siba, Michelle
Sent: Thursday, March 19, 2015 12:59 PM
To: Alistair Cameron <Alistair.Cameron@pngaming.com> (Alistair.Cameron@pngaming.com); Rick Galloway (rick.galloway@pngaming.com); Robert Wamsley; 'jharwood@caesars.com'
Cc: John Barron; Oyster, Matt; Martin, Patrick; Donahue, Craig; Castle, Chelsea; Fleenor, Chris
Subject: RE: OCCC rule revisions
Attachments: Rule Changes.pdf

All,

I wanted to bring to your attention 3 changes to the language I sent you on March 6. Please refer to only this package of rules. Note that the following are the only 3 changes that have been made since our phone call last week. Please review the rules and provide any new comments or questions that you may have by 5pm next Friday, March 27. Again, you'll have an opportunity to provide formal comments later on as these move through the adoption process.

- 3772-11-21: In paragraph (C), as Patrick mentioned to you on the phone call, "Before the commencement of each gaming day" has been replaced with "Each day, at a time listed in the casino operator's internal controls" to allow for some flexibility in when dice should be removed from storage for that gaming day.

- 3772-11-23: Provides further clarification for how single decks of cards and packages of pre-shuffled decks of cards should be handled upon discovery of a defective card or cards.

- 3772-11-34: Provides framework for how table game layouts should be stored and removed from the casino facility.

Once again, these are the only 3 rules that have change since we last discussed the whole package.

Thank you,

Michelle

Michelle Siba
Assistant General Counsel
Ohio Casino Control Commission
(614) 387-0485

From: Siba, Michelle
Sent: Friday, March 06, 2015 1:15 PM
To: Alistair Cameron <Alistair.Cameron@pngaming.com> (Alistair.Cameron@pngaming.com); Rick Galloway (rick.galloway@pngaming.com); Robert Wamsley; 'jharwood@caesars.com'
Cc: John Barron; Oyster, Matt; Martin, Patrick
Subject: OCCC rule revisions

Good Afternoon RCOs,

I have attached a document that contains the next set of Ohio Administrative Code 3772 amendments. Please share with your teams for review and provide any comments or questions that you may have. Of course, you may also make formal comments as these changes flow through the adoption process.

Please submit any comments or questions you may have via email by next Friday, March 13 at 5 PM.

Thank you,

Michelle Siba
Assistant General Counsel
Ohio Casino Control Commission
(614) 387-0485

EXHIBIT 3

3772-9-05 Estimated Cost Savings	
72	Number of Slot Software Shipment Notifications sent from April 2014-April 2015 per Horseshoe Cincinnati
12	Months in a year
6	Total Estimated Reports Filed Per Month
30	Amount of Time Spent (in minutes) Preparing Each Notification per Horseshoe Cincinnati
6	Total Estimated Reports Filed Per Month
3	Estimated Monthly Hours Saved
12	Months in a Year
36	Estimated Annual Hours Saved
$ 17.00	Hourly rate of employee filing CTRs
$ 612.00	Estimated Annual Savings

EXHIBIT 4

Siba, Michelle

From: June Harwood <jharwood@caesars.com>
Sent: Wednesday, December 03, 2014 2:24 PM
To: Martin, Patrick
Subject: RE: OCCC state-wide guidance: CTR filings

Hello Patrick,
I appreciate this reconsideration. The removal of the requirement to submit CTRs and MTLs will save our team at Horseshoe Cleveland about 3 hours per week. Please let me know if you need additional details as you gather information from other RCOs.

Thank you,
June

From: Martin, Patrick [mailto:Patrick.Martin@casinocontrol.ohio.gov]
Sent: Wednesday, December 03, 2014 11:58 AM
To: Alistair Cameron; June Harwood; Rick Galloway; Robert Wamsley
Cc: Castle, Chelsea; O'Brien, John; Koeppe, Stu; Fossaceca, Gary; St Clair, Doug; Leatherman, Mark; Masterson, Mike; Donahue, Craig
Subject: OCCC state-wide guidance: CTR filings

RCOs:

We're reconsidering the requirement in OAC 3372-10-07(K) that each casino file CTRs (and MTLs) with the OCCC, and would like your input about any resulting staffing or process changes. We are not reconsidering the filing of SARs.

Thanks for your help,

Patrick D. Martin
Dir. Of Regulatory Compliance
Ohio Casino Control Commission
614-387-5860 direct
patrick.martin@casinocontrol.ohio.gov

EXHIBIT 5

Siba, Michelle

From: June Harwood <jharwood@caesars.com>
Sent: Monday, May 04, 2015 11:23 AM
To: Castle, Chelsea
Subject: RE: Unsecured Currency Follow-Up

Sure Chelsea – it's about $0.03 per envelope (box of 500 goes for $15.75 at Staples, who is our vendor for supplies). So, if we have 4 instances per week, it would be a cost of approximately $0.12/week. Please let me know if you need anything else.

Thanks,

June E. Harwood | Regulatory Compliance Officer
Cell: 702.845.7142 | ✉ jharwood@caesars.com
Horseshoe Casino Cleveland
Office: 216.297.4978
Thistledown Racino
Office: 216.438.6957

From: Castle, Chelsea [mailto:Chelsea.Castle@casinocontrol.ohio.gov]
Sent: Monday, May 04, 2015 11:10 AM
To: June Harwood
Subject: RE: Unsecured Currency Follow-Up

June,

I know its nominal, but would you be able to provide a dollar amount of the cost of the envelopes?

Thank you

Chelsea Castle
Compliance Auditor
Ohio Casino Control Commission
(614) 387-0317

From: June Harwood [mailto:jharwood@caesars.com]
Sent: Monday, May 04, 2015 11:07 AM
To: Castle, Chelsea
Subject: RE: Unsecured Currency Follow-Up

Chelsea,
I heard back from Security and it looks like there's on average 3-4 instances per week.

Please let me know if you have any further questions or need more information.

Thank you,

June E. Harwood | Regulatory Compliance Officer

Cell: 702.845.7142 | ✉ jharwood@caesars.com
Horseshoe Casino Cleveland
Office: 216.297.4978
Thistledown Racino
Office: 216.438.6957

From: June Harwood
Sent: Monday, May 04, 2015 9:21 AM
To: 'Castle, Chelsea'
Subject: RE: Unsecured Currency Follow-Up

Absolutely – thank you!

June E. Harwood | Regulatory Compliance Officer
Cell: 702.845.7142 | ✉ jharwood@caesars.com
Horseshoe Casino Cleveland
Office: 216.297.4978
Thistledown Racino
Office: 216.438.6957

From: Castle, Chelsea [mailto:Chelsea.Castle@casinocontrol.ohio.gov]
Sent: Monday, May 04, 2015 9:20 AM
To: June Harwood
Subject: RE: Unsecured Currency Follow-Up

June,

Thank you for the follow-up. I look forward to hearing from you later today.

Chelsea Castle
Compliance Auditor
Ohio Casino Control Commission
(614) 387-0317

From: June Harwood [mailto:jharwood@caesars.com]
Sent: Monday, May 04, 2015 9:12 AM
To: Castle, Chelsea
Subject: RE: Unsecured Currency Follow-Up

Good morning Chelsea,
Sorry for this delay. I did find out that the envelope used is a regular, business size envelope with a nominal cost. After a couple of more responses, it seems 10 minutes per transaction is about average. I am awaiting Security's response as to the number of times/week this situation occurs. I should have that this morning and will forward.

Thank you,

June E. Harwood | Regulatory Compliance Officer
Cell: 702.845.7142 | ✉ jharwood@caesars.com
Horseshoe Casino Cleveland
Office: 216.297.4978

Thistledown Racino
Office: 216.438.6957

From: Castle, Chelsea [mailto:Chelsea.Castle@casinocontrol.ohio.gov]
Sent: Monday, May 04, 2015 9:05 AM
To: June Harwood
Subject: RE: Unsecured Currency Follow-Up

June,

Were you able to get any additional information?

Thank you

Chelsea Castle
Compliance Auditor
Ohio Casino Control Commission
(614) 387-0317

From: June Harwood [mailto:jharwood@caesars.com]
Sent: Thursday, April 30, 2015 1:37 PM
To: Castle, Chelsea
Subject: RE: Unsecured Currency Follow-Up

Sorry – let me poke my folks again. I have only heard back that it will save about 5-10 mins per transaction.

Thanks,

June E. Harwood | Regulatory Compliance Officer
Cell: 702.845.7142 **|** ✉ jharwood@caesars.com
Horseshoe Casino Cleveland
Office: 216.297.4978
Thistledown Racino
Office: 216.438.6957

From: Castle, Chelsea [mailto:Chelsea.Castle@casinocontrol.ohio.gov]
Sent: Thursday, April 30, 2015 1:00 PM
To: June Harwood
Subject: RE: Unsecured Currency Follow-Up

June,

I was just following up to see if you were able to obtain the requested information? Do you have any questions for me?

Chelsea Castle
Compliance Auditor
Ohio Casino Control Commission
(614) 387-0317

From: June Harwood [mailto:jharwood@caesars.com]
Sent: Tuesday, April 28, 2015 10:46 AM
To: Castle, Chelsea
Subject: RE: Unsecured Currency Follow-Up

Hi Chelsea,
Please clarify if you still need the estimated time used for the envelope process.

Thank you,

June E. Harwood | Regulatory Compliance Officer
Cell: 702.845.7142 | ✉ jharwood@caesars.com
Horseshoe Casino Cleveland
Office: 216.297.4978
Thistledown Racino
Office: 216.438.6957

From: Castle, Chelsea [mailto:Chelsea.Castle@casinocontrol.ohio.gov]
Sent: Tuesday, April 28, 2015 9:48 AM
To: June Harwood
Subject: Unsecured Currency Follow-Up

June,

Thank you for taking the time to talk with me this morning. To follow-up with our phone call, I wanted to list the items I am looking for.

1. The cost of the envelope used to transport unsecured currency, vouchers, tickets, and coupons.
2. The average # of occurrences where unsecured currency etc. needs to be transported per month.

Please let me know if you have any questions.

Thank you,

Chelsea Castle
Compliance Auditor
Ohio Casino Control Commission
(614) 387-0317

EXHIBIT 6

OHIO CASINO CONTROL COMMISSION
MEETING MINUTES
10:00 A.M. – May 22, 2014
RHODES TOWER, LOBBY HEARING ROOM
30 W. BROAD STREET
COLUMBUS, OHIO 43215

The regular meeting of the Ohio Casino Control Commission was called to order at 10:12 a.m. by Chair Jo Ann Davidson. Commissioners McKinley Brown, Martin Hoke, Will Lucas, Ranjan Manoranjan, John Steinhauer, and June Taylor were also in attendance. The minutes of the April 16, 2014 meeting were approved following a motion by Commissioner Manoranjan, seconded by Commissioner Taylor.

The meeting began with Executive Director Schuler's introduction of Ameet Patel, former General Manager at Hollywood Columbus Casino, and the newly appointed Senior Vice President of Regional Operations for Penn National Gaming. Mr. Patel then introduced the new General Manager at Hollywood Columbus Casino, Himbert Simpoli.

Executive Director Schuler began his monthly report to the Commission by highlighting these areas:

- House Bill 491, which proposes to give the OCCC defined regulatory authority over skill based amusement games, has passed the House and now awaits consideration by the Senate.
- New gaming agents are coming on board, and additional training has been scheduled for these agents and the regulatory auditors.
- OCCC is nearing 1,000 persons in the Voluntary Exclusion Program, with a record high 74 enrollments last month.

The next item on the agenda was a presentation by Caesars Entertainment Corporation regarding their financial status. Appearing before the Commission on behalf of Caesars were John Payne, President of Central Markets for Caesars Entertainment Corporation; Eric Hession, Senior Vice President of Finance and Treasurer of Caesars Entertainment Corporation; Susan Carletta, Vice President of Compliance for Caesars Entertainment Corporation; and Kevin Kline, General Manager of Horseshoe Cincinnati Casino.

Speaking jointly, Mr. Hession and Ms. Carletta explained that Caesars Entertainment Corporation (CEC), is a highly leveraged company and has concluded over 40 capital market transactions since the recession. The primary actions taken have been: 1.) the sale of shares of Caesars Entertainment Operating Company, Inc. (CEOC) 2.) A $1.2 billion term loan to retire the maturity of other outstanding loans 3.) The sale of assets from CEOC to Caesars Growth Partners (CGP) 4.) The creation of a services company, Caesars Enterprise Services, LLC.

Ms. Carletta said the Services Company is an entity created to provide services to all the other Caesars public entities. Executive Director Schuler noted that once all of the documents are complete regarding the creation of the Services Company, a decision will be made as to whether the new company falls into another licensing category.

Mr. Hession reviewed the recent capital restructuring of Caesars and the percentages held by the various related entities. He told the Commission that the new structure enables an annual recalibration of the cost of redistribution so that those growing entities take a bigger part of the expenses and pay more to the new services entity. Financial advisors are preparing fairness reports regarding the creation of Services Company. OCCC has requested copies of those reports upon completion.

Mr. Hession continued, saying that CEOC has no additional plans for acquisition and expressed his opinion that suitability for licensure by the OCCC has not been affected.

Chair Davidson made a motion, stating, "The material terms of Caesars Entertainment Operating Company's corporate and financial restructuring contain matters required to be kept confidential by state statute. In particular, discussion of these terms requires consideration of financial and trade secret information that is deemed confidential under R.C. 3772.16(A)(9) and (12), respectively. Accordingly, I move to go into executive session pursuant to R.C. 121.22(G)(5)." The motion was seconded by Commissioner Taylor and a roll call vote was taken, with the results being 7 ayes and 0 nays. The Commission went into Executive Session at 11:02 a.m.

The regular meeting of the Commission resumed at 12:17 p.m.

Twenty-five new rules and amendments to the administrative code were presented to the Commission for consideration of final filing. Michelle Siba, OCCC Assistant General Counsel, explained that the rules and amendments were initially proposed in January and February, 2014, and JCARR jurisdiction over the rules ended on May 18. Rules to be considered were:

3772-1-06 (New) Minimum licensure requirements.
3772-9-05 (Amendment) Transportation of electronic gaming equipment to and from a casino facility.
3772-9-08 (Amendment) Movement of electronic gaming equipment within a casino facility.
3772-10-09 (Amendment) Complimentaries.
3772-10-10 (Amendment) Personal check cashing.
3772-10-18 (Amendment) Table drop boxes and slot bill validator canisters: physical requirements and transportation.
3772-10-26 (Amendment) Key controls.
3772-11-15 (Amendment) Inventory of chips.
3772-11-17 (Amendment) Counterfeit chips.
3772-11-21 (Amendment) Dice; receipt, storage, inspections, and removal from use.
3772-11-37 (Amendment) Minimum and maximum table game wagers.

3772-11-40 (Amendment) Poker room; general.
3772-11-42 (Amendment) Poker room; banks and transactions.
3772-12-02 (Amendment to appendix) Application for voluntary exclusion.
3772-12-03 (Amendment) Responsibilities of voluntarily excluded individual.
3772-19-01 (Amendment) Surveillance.
3772-19-02 (New) Surveillance plan.
3772-19-03 (New) Required surveillance system.
3772-19-04 (New) Commission surveillance room and on-site facilities.
3772-19-05 (New) Casino surveillance room.
3772-19-06 (New) Surveillance department.
3772-19-07 (New) Required surveillance coverage.
3772-19-08 (New) Surveillance retention.
3772-19-09 (New) Surveillance logs and incident reports.
3772-19-10 (New) Maintenance and malfunctions.

Commissioner Taylor made a motion to adopt Commission Resolution 2014-08, approving final filing of the rules. The motion was seconded by Commissioner Lucas and approved.

The application of Ainsworth Game Technology, Inc. (AGT, Inc.) for a license as a Gaming-Related Vendor, was reviewed for the Commission by Tony Forchione, OCCC Director of Licensing and Investigations. The applicant's parent corporation, AGT, Ltd., is already licensed as a vendor in Ohio, however, OCCC has determined that the more appropriate licensee is AGT, Inc. The probity background investigation of AGT, Inc. was conducted and an investigative report completed. OCCC staff recommended granting the Gaming-Related Vendor license to AGT, Inc. and Key Employee licenses to two AGT principals. Commissioner Taylor made a motion to adopt Commission Resolution 2014-09, approving the licenses. The motion was seconded by Commissioner Manoranjan and approved.

Tony Forchione, OCCC Director of Licensing and Investigation, presented for consideration by the Commission, the application of four individuals for key employee licenses. The OCCC Division of Licensing and Investigation had completed their background investigation of the applications and recommended approval of Commission Resolution 2014-10, granting three-year key employee licenses to Stephen Ives, Multimedia Games Holding, Inc.; Hussain Mahrous, Hollywood Casino Columbus; James Metcalfe, Scientific Games Corp.; and Andrew Tomback, Scientific Games Corp. A motion to approve the Resolution was made by Commissioner Brown. The motion was seconded by Commissioner Steinhauer and approved.

Patrick Martin, Director of Regulatory Compliance, presented requests from all four casinos to waive the administrative code's effective prohibition on pre-shuffled cards. The waivers would allow each casino to accept pre-shuffled cards for Blackjack and Mini-Baccarat, only from Commission-approved vendors. These would be vendors whose automated pre-shuffling process had been reviewed and approved by OCCC Staff. Jim Owens, Vice President of Operations at US Playing Card, explained for the Commission, the additional level of review that is performed at his company regarding pre-shuffled decks.

Chair Davidson stated that a blanket motion for the waiver at all four casinos would be accepted. Commission Lucas made a motion to approve the waivers. The motion was seconded by Commissioner Taylor and approved.

Mr. Martin presented amendments to Internal Controls being sought by each casino. All of the proposed changes had been reviewed and recommended by the OCCC staff.

- Hollywood Columbus Casino requested changes to its Accounting, Internal Audit, Table Games and Rules plans. Commissioner Steinhauer made a motion to approve the changes. The motion was seconded by Commissioner Lucas and approved.

- Hollywood Toledo Casino requested changes to its General, Accounting Operations, Player Services, Information Technology, Key Control, Marketing, Security, and Table Games Operations plans and to its Table Games Operations Appendix. Commissioner Manoranjan made a motion to approve the changes. The motion was seconded by Commissioner Taylor and approved.

- Horseshoe Cincinnati Casino requested minor changes to its Cage, Slots, Table Games, Internal Audit and Promotions plans. A motion to approve the proposed changes was made by Commissioner Brown. The motion was seconded by Commissioner Lucas and approved.

- Horseshoe Cleveland Casino requested changes to its Accounting, Cage, Credit and Table Games plans. A motion to approve the proposed changes was made by Commissioner Lucas. The motion was seconded by Commissioner Steinhauer and approved.

John Barron, OCCC Deputy Executive Director and General Counsel, presented three final orders to the Commission for consideration.

In re: Brian Dennis, (Case # 2014-LIC-002), Mr. Barron explained that the gaming employee license holder had requested a hearing following notice of license revocation. The hearing examiner recommended that appropriate administrative action be taken. OCCC staff recommended approval of the report of the hearing examiner with one modification, specifying that the administrative action to be taken was license revocation. Chair Davidson made a motion to approve and adopt the Report and Recommendation with modification for Brian Dennis. The motion was seconded by Commissioner Taylor and approved. Commissioner Steinhauer urged OCCC rejection of a hearing examiner's report, in the future, if there is no specific recommendation made.

In re: Matthew Fletcher, (Case # 2014-LIC-004), a hearing was not requested. Chair Davidson made a motion to revoke the casino gaming employee license. The motion was seconded by Commissioner Taylor and approved.

In re: Jimica Phelps, (Case # 2014-LIC-014), a hearing was not requested. Chair Davidson made a motion to revoke the casino gaming employee license. The motion was seconded by Commissioner Taylor and approved.

There being no further business before the Commission, the meeting was adjourned at 1:00 p.m.

Signed,
Katherine L. Kelly
Commission Clerk

Approved: June 18, 2014

EXHIBIT 7

HOLLYWOOD Casino
COLUMBUS, OH

200 Georgesville Rd ★ Columbus, OH 43228

5/5/2014

Patrick Martin
Director of Regulatory Compliance
Ohio Casino Control Commission
10 W. Broad Street – 6th Floor
Columbus, Ohio 43215

RE: Table Games Operations Waiver – Pre-Shuffled Cards

In accordance with OAC 3772-01-04: Waivers and Variances, we respectively submit for review and approval a waiver for the following items as it pertains to our Table Games Operations Plan.

Waiver Request:

Pursuant to OAC 3772-10-28(B) Hollywood Casino Columbus requests that the Ohio Casino Control Commission waive the requirements in OAC 3772-11-23(G) that prohibits the controlled use of preshuffled decks on some games.

OAC 3772-11-23(G) states that, "Before being placed into play, each deck shall be inspected by the dealer . . . Card inspection at the gaming table shall require the dealer to sort each deck into sequence and into suit to ensure that all cards are in the deck. The dealer shall also check each card to ensure that there is no indication of tampering, flaws, scratches, marks, or other defects that might affect the integrity of the game."

We believe that there are good reasons to use preshuffled cards from qualifying vendors. Those reasons include:

1. Improved game protection
2. Attention on customer service
3. Improved utilization with accurate head counts
4. Improved accuracy with player ratings

HCCO proposes using the following controls to ensure the spirit of OAC 3772-11-23(G) is met:

1. We will only accept pre-shuffled cards from vendors which the Commission has approved their pre-shuffling process;
2. We will only use these on Blackjack and Mini-Baccarat games that involve the use of 6 or 8 deck games.

3. We will still open every tenth pre-shuffled box to ensure that there is “no indication of tampering, flaws, scratches, marks, or other defects that might affect the integrity of the game.”

We have included those controls in the attached red-lined version of our Table Games Operations Plan. Specifically, page 41 includes a new paragraph describing the related controls.

Please do not hesitate to contact me at (614) 308-4476 if there are any questions or if I may be of any further assistance.

Sincerely,

_____
Alistair Cameron
Compliance Manager
Hollywood Casino Columbus

cc: Ameet Patel, General Manager and Tony Carolo, Director of Table Games Operations, Hollywood Casino Columbus

EXHIBIT 8

May 7, 2014

Via: Electronic Mail

Mr. Matthew T. Schuler
Executive Director
Ohio Casino Control Commission
10 West Broad Street, 6th Floor
Columbus, Oh 43215

RE: Request for Waiver for Pre-Shuffled Cards

Dear Mr. Schuler:

Pursuant to the Ohio Administrative Code (OAC)§3772-10-28(A -B), this letter will serve as our formal request for a waiver of OAC§ 3772-11-23(G) –Table game cards; receipt, storage, inspections, and removal from use, that prohibit the controlled use of pre-shuffled decks on some games.

OAC 3772-11-23(G) states that "Before being placed into play, each deck shall be inspected by the dealer . . . Card inspection at the gaming table shall require the dealer to sort each deck into sequence and into suit to ensure that all cards are in the deck. The dealer shall also check each card to ensure that there is no indication of tampering, flaws, scratches, marks, or other defects that might affect the integrity of the game." We believe that there are good reasons to use pre-shuffled cards from qualifying vendors. Those reasons include:

1. Pre-shuffled decks will add a higher level of efficiency and game protection (i.e. elimination of potential collusion between personnel inspecting cards and patrons) to our business.
2. Pre-shuffled decks will allow us labor saving opportunities. Currently it takes upwards of 40 minutes to fully inspect 16 decks of cards for a blackjack game.
3. Pre-shuffled decks process substitute's technology for the human factor which can potentially overlook missing or duplicate cards.
4. Pre-shuffled decks will reduce waste that comes from card packaging and non-playable cards.

We propose using the following controls to ensure the spirit of OAC 3772-11-23(G) is met:

1. We will only accept pre-shuffled cards from vendors which the Commission has approved their pre-shuffling process;
2. We will only use these on mini and midi baccarat and blackjack games that involve the use of 6 or 8 deck games.
3. We will still open every tenth pre-shuffled box to ensure that there is "no indication of tampering, flaws, scratches, marks, or other defects that might affect the integrity of the game."

We have included those controls in the attached red-lined version of our Table Games Operations Plan. Specifically, page 31, 56 and 57 includes a new paragraph on pre-shuffled cards to ensure controls are met under OAC §3772-11-23.

We thank you for your consideration of our request and respectfully request the approval of these changes. Please do not hesitate in contacting me if you have any questions or require additional information. My direct line is 513-250-3117 and email at rwamsley@caesars.com.

Respectfully,

Robert L. Wamsley
Regulatory Compliance Officer

cc: Karen Huey, Patrick Martin, Stuart Koeppe, Teresa Dempsey, Carrie Flora – OCCC
UCI Leadership

Horseshoe Cincinnati Casino
1000 Broadway St
Cincinnati, OH 45202

EXHIBIT 9

HORSESHOE CLEVELAND

April 30, 2014

Tina Robinson
Regulatory Compliance Officer
Phone: (216) 297-4978
Email: Tirobinson@caesars.com

VIA E-MAIL (Patrick.D.Martin@casinocontrol.ohio.gov)

Mr. Patrick Martin
Director of Regulatory Compliance
Ohio Casino Control Commission
10 W. Broad Street, 6th Floor
Columbus, Ohio 43215

RE: Requesting Waiver for OAC §3772-11-23 (G)

Dear Mr. Martin,

Pursuant to OAC §3772-10-28(B), Horseshoe Cleveland is respectfully seeking the Ohio Casino Control Commission's approval for a waiver on OAC §3772-11-23 (G) that prohibits the controlled use of preshuflled decks on some games.

Horseshoe Cleveland has highlighted why we believe the utilization of the approved manufacturer's pre-shuffled cards would be a benefit to the property:

- Reduction of defects in playing cards
    - Each card is inspected one hundred percent for cutting accuracy to ensure each card is cut within a small window of tolerance.
    - Each pre-shuffled pack is inspected three (3) times for proper count to provide extra layers of protection against missing and extra cards.
    - Card back color sensing down to the card level, to protect against color variation and product mixing.
- Decreased time opening decks and removing non-playable cards prior to starting a game. (Results: more hands per hour, opening game productivity – 80%)
- No need for human interaction with the cards prior to putting them into play
- Elimination of potential collusion between personnel inspecting cards and players.
- Reduce waste from card packaging and non-playable cards.

We are also submitting the attached proposed red-lined/blue-lined amendments to our Table Games Section G. Internal Controls Section 36 pg. 52 &53 for the Commission hearing on May 22, 2014 to ensure all the intended controls are met under OAC §3772-11-23.

Thank you for reviewing this request for waivers. Please do not hesitate in contacting me if you have any questions or require additional information. My direct line is 216-297-4978 and email at TiRobinson@caesars.com.

Sincerely,

Tina Robinson
Regulatory Compliance Officer

EXHIBIT 10

5/7/2014

Patrick Martin
Director of Regulatory Compliance
Ohio Casino Control Commission
10 W. Broad Street – 6th Floor
Columbus, Ohio 43215

RE: Table Games Operations Waiver – Pre-Shuffled Cards

In accordance with OAC 3772-01-04: Waivers and Variances, we respectively submit for review and approval a waiver for the following items as it pertains to our Table Games Operations Plan.

Waiver Request:

Pursuant to OAC 3772-10-28(B) Hollywood Casino Toledo requests that the Ohio Casino Control Commission waive the requirements in OAC 3772-11-23(G) that prohibits the controlled use of pre-shuffled decks on some games.

OAC 3772-11-23(G) states that, "Before being placed into play, each deck shall be inspected by the dealer . . . Card inspection at the gaming table shall require the dealer to sort each deck into sequence and into suit to ensure that all cards are in the deck. The dealer shall also check each card to ensure that there is no indication of tampering, flaws, scratches, marks, or other defects that might affect the integrity of the game."

We believe that there are good reasons to use pre-shuffled cards from qualifying vendors. Those reasons include:

1. Improved game protection;
2. Reduce the potential for error that could occur during inspections of cards not pre-shuffled; and
3. Reduce the potential for supervisor/dealer collusion with the manipulation of hand checked cards.

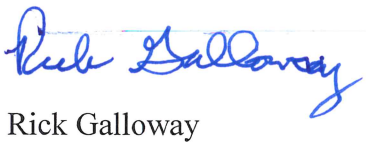
HCT proposes using the following controls to ensure the spirit of OAC 3772-11-23(G) is met:

1. We will only accept pre-shuffled cards from vendors which the Commission has approved their pre-shuffling process;
2. We will only use these on Blackjack and Mini-Baccarat games that involve the use of 6 or 8 deck games; and
3. We will still open every tenth pre-shuffled box to ensure that there is "no indication of tampering, flaws, scratches, marks, or other defects that might affect the integrity of the game."

We have included those controls in the attached red-lined version of our Table Games Operations Plan. Specifically, page 43-44 includes a new paragraph describing the related controls.

Please do not hesitate to contact me at (419) 661-5304 if there are any questions or if I may be of any further assistance.

Sincerely,



Rick Galloway
Compliance Manager
Hollywood Casino Toledo

cc: Brian Jenkins, Vice President of Finance, Hollywood Casino Toledo
Brian Miller, Financial Auditor-Toledo, Ohio Casino Control Commission
Jessica Lake, Financial Auditor-Toledo, Ohio Casino Control Commission
Doug St. Clair, Gaming Agent Supervisor, Ohio Casino Control Commission