

**BEFORE THE CASINO CONTROL COMMISSION  
STATE OF OHIO**

**IN THE MATTER OF:** :  
 : **Case No. 2015-REG-002**  
**HORSEHOE CLEVELAND MANAGEMENT, LLC** :  
**SURVEILLANCE AND TABLE-GAME** :  
**OPERATIONS VIOLATIONS** :

**SETTLEMENT AGREEMENT**

This Settlement Agreement (“Agreement”) is made by and between Horseshoe Cleveland Management, LLC, (“Horseshoe”) and the Ohio Casino Control Commission (“Commission”) for the purpose of resolving Commission Case No. 2015-REG-002. Together, Horseshoe and the Commission are referred to as “the parties.”

**WHEREAS**, the Commission is responsible for the administration and enforcement of R.C. Chapter 3772 and the rules adopted thereunder, which regulate the conduct of casino gaming in the State of Ohio;

**WHEREAS**, Horseshoe is a Management-Company Licensee that manages Horseshoe Casino Cleveland, the casino facility located in Cleveland, Ohio;

**WHEREAS**, the Commission, pursuant to its authority to regulate, investigate, and penalize casino operators and management companies, discovered violations of Ohio law and Horseshoe’s Commission-approved internal controls during routine compliance audits of Horseshoe’s operations;

**WHEREAS**, as a result of these audit findings, the Commission issued a Notice of Violation and Opportunity for Hearing (“Notice”), dated March 3, 2015, to Horseshoe, pursuant to and in accordance with R.C. Chapters 119 and 3772 and Ohio Adm. Code Chapters 3772-21 and 3772-22;

**WHEREAS**, in response to the Notice, Horseshoe submitted a letter, dated April 2, 2015, to the Commission wherein Horseshoe acknowledged receipt of the Notice and waived its right to a hearing pursuant to R.C. 119.07 and 3772.04;

**WHEREAS**, the Commission procedurally complied with R.C. Chapters 119 and 3772 and established jurisdiction over this matter; and

**WHEREAS**, the parties enter this Agreement in lieu of issuance of a final adjudicatory order by the Commission.

**NOW THEREFORE**, in consideration of the mutual promises expressed herein, and with intent to be legally bound, the parties **AGREE** as follows:

1. Horseshoe makes the following admissions:

- A. During routine compliance audits of Horseshoe's surveillance capabilities, coverage, and procedures and the process by which Horseshoe opens table games, Commission staff discovered practices that violated Ohio law and Horseshoe's internal controls.
- B. As a result of these audit findings, the Commission issued a Notice (attached as Exhibit A), providing Horseshoe with an opportunity for a hearing to contest the allegations contained therein.
- C. Horseshoe subsequently submitted an electronic-mail response, dated April 2, 2015, (attached as Exhibit B) to the Commission wherein Horseshoe acknowledged receipt of the Notice and waived its right to a hearing on the allegations contained therein.

**D. Surveillance Violations**

- i. Horseshoe's surveillance coverage of table games did not allow for viewers to identify or determine, as applicable, the patrons and dealers, the table-game bank, the configuration of wagers, card values, game outcomes, the progressive-jackpot meter, dice, or the roulette wheel, in violation of Ohio Adm. Code 3772-19-03(B) and 3772-19-07(A), (B), (C), and (D).
- ii. Horseshoe's table-game cameras were not programmed to an appropriate home location, meaning that the home location did not provide simultaneous coverage of all required items or that the home location did not provide an adequate shot of patrons and dealers, in violation of Ohio Adm. Code 3772-19-03(B) and 3772-19-07(A), (B), (C), and (D).
- iii. Horseshoe's surveillance system allows for recordings to be deleted by all users, in violation of Ohio Adm. Code 3772-19-03(I).
- iv. The quality of the image produced by the Commission's surveillance-room equipment does not merit Commission-approval, in violation of Ohio Adm. Code 3772-19-01(A) and 3772-19-04(A) and (B).

**E. Table-Game Operations Violation**

Horseshoe opened four table games without the approval of its surveillance department or Commission gaming agents, in violation of Ohio Adm. Code 3772-11-03(E) and 3772-19-07(A) and (B) and acted outside the Commission's scope of approval.

F. Horseshoe's actions demonstrate the inadequacy of the training of the surveillance and table-game personnel, in violation of Ohio Adm. Code 3772-10-03(C).

2. Pursuant to this Agreement, Commission Case No. 2015-REG-002 is **ADMINISTRATIVELY CLOSED**. Accordingly, the Commission makes no specific findings regarding the allegations described in the Notice.
3. The Admissions contained in Paragraph 1 of this Agreement by themselves will not be a basis for future action against Horseshoe, except as set forth in Paragraph 4 of this Agreement. The Commission makes no further statements or representations with respect to the admissions referenced herein or Horseshoe's compliance with Ohio law.
4. Nothing in this Agreement precludes the Commission from investigating and prosecuting Horseshoe for violations of or non-compliance with this Agreement or for separate violations of or non-compliance with R.C. Chapter 3772 or the rules adopted thereunder, or limits the Commission's exercise of authority and discretion with respect to imposing additional conditions upon or taking further action against Horseshoe under R.C. Chapter 3772 and the rules adopted thereunder for matters not contemplated herein.
5. Horseshoe will pay a monetary fine in the amount of \$50,000.00.
6. Horseshoe will submit to the Commission, in writing, all remedial measures that it has already taken, and its plan for future remedial measures, to address surveillance coverage, as described in Paragraph D. All outstanding issues shall be resolved within 60 days of the date of the last signature of all requisite parties and individuals. Only the Commission and/or Commission staff may determine that each of these issues has been resolved.
7. Horseshoe will develop special remedial training of all laws, policies, procedures, and Commission-approved internal controls relevant to each employee's individual function, as it relates to operations of the surveillance and table-game departments, as described and required by Ohio Adm. Code 3772-10-03(C).

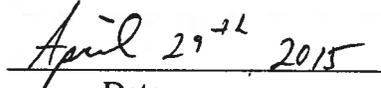
8. Upon the date of the last signature of all requisite parties and individuals, this Agreement is effective and binding upon the parties and any and all successors, assigns, subsidiaries, agents, employees, or representatives of the parties or any other affiliates.
9. The parties have read and understand this Agreement and have entered into the same knowingly, voluntarily, and with the opportunity to gain advice of counsel.
10. This Agreement is entered into by both parties and may be executed in counterparts or facsimiles, each of which shall be deemed an original and all of which shall constitute the same instrument.
11. This Agreement (including all attached exhibits) contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and understanding, oral or written, with respect to such matters. This Agreement may be modified only by a further writing that is duly executed by both parties.
12. If any provision in this Agreement is found or held to be invalid, or unenforceable, the meaning of said provision will be construed to the extent feasible, so as to render the provision enforceable, and if no feasible interpretation shall save such provision, it will be severed from the remainder of this Agreement. The remainder of this Agreement shall remain in full force and effect unless the severed provision is essential and material to the rights or benefits received by either of the parties.
13. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio and the exclusive venue for any cause of action arising herefrom shall be a court of competent jurisdiction in the State of Ohio, County of Franklin.

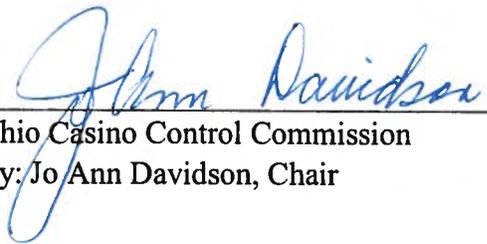
*[Remainder of page intentionally left blank.]*

**IN WITNESS WHEREOF**, the parties to this **SETTLEMENT AGREEMENT** have either executed it or caused it to be executed by their duly authorized representatives:

**Accepted by:**

  
\_\_\_\_\_  
Horseshoe Cleveland Management, LLC  
By: Marcus Glover, General Manager

  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Ohio Casino Control Commission  
By: Jo Ann Davidson, Chair

  
\_\_\_\_\_  
Date