

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

IN THE MATTER OF: :
 :
 : **Case No. 2013-072**
HORSESHOE CINCINNATI MANAGEMENT, LLC :
MANAGEMENT COMPANY LICENSEE'S :
GRANTING CASINO CREDIT :
TO PATRONS :

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between Horseshoe Cincinnati Management, LLC, ("Horseshoe") and the Ohio Casino Control Commission ("Commission") for the purpose of resolving Commission Case No. 2013-072 and the issues that arose regarding Horseshoe's practices and procedures for granting casino credit to patrons. 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 Ohio Adm. Code 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 Cincinnati, the casino facility located in Cincinnati, Ohio;

WHEREAS, the Commission, pursuant to its authority to regulate, investigate, and penalize casino operators and managers, discovered violations of Ohio law and Horseshoe's internal controls during its auditing procedures of Horseshoe's operations;

WHEREAS, in light of that investigation, the Commission issued a Notice of Violation and Opportunity for Hearing ("Notice"), dated November 8, 2013, to Horseshoe, pursuant to and in accordance with R.C. Chapters 119 and 3772 and Ohio Adm. Code 3772-21 and 3772-22;

WHEREAS, in response to the Notice, Horseshoe submitted a letter, dated December 6, 2013, 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. As a result of the findings of a routine credit audit, the Commission issued the Notice (attached as Exhibit A), providing Horseshoe with an opportunity for a hearing to contest the allegations contained in the Notice.
 - B. Horseshoe subsequently submitted a letter, dated December 6, 2013, (attached as Exhibit B) to the Commission wherein Horseshoe acknowledged receipt of the Notice and waived its right to a hearing.
 - C. By granting credit to patrons without first obtaining all required information and maintaining incomplete credit files, Horseshoe violated Ohio Adm. Code 3772-10-03(C), 3772-10-17(E), and 3772-10-23.
 - D. Horseshoe and its personnel authorized "This Trip Only" credit extensions beyond their authority, in excess of the Commission-approved limit, and without required documentation, including but not limited to, a complete combined credit-worthiness assessment, in violation of 3772-10-03(C), 3772-10-17(E), and 3772-10-23(C)(7).
 - E. Horseshoe did not ensure that its personnel was properly trained in all policies, procedures, and internal controls relevant to each employee's individual function, as it relates to granting credit, in violation of Ohio Adm. Code 3772-10-03(C).
 - F. Horseshoe failed to comply with its own internal controls concerning the granting of credit to patrons, and therefore acted outside the scope of operation authorized by the Commission, pursuant to Ohio Adm. Code 3772-10-02.
2. Pursuant to this agreement, Commission Case No. 2013-072 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. During a meeting with Commission staff on January 9, 2014, Horseshoe represented that it would implement certain remedial measures to its practice of granting credit as a result of the admissions listed in Paragraph 1. Horseshoe shall submit each proposed remedial measure to the Commission and shall not implement any remedial measures until it has received approval to do so by the Commission.
6. Horseshoe will pay a monetary fine in the amount of \$75,000.00.
7. Horseshoe will implement, upon Commission approval, internal controls that detail a process, including specific internal audits, by which Horseshoe will certify that it has complied with Ohio Adm. Code 3772-10-23 when it grants credit to its patrons.
8. Horseshoe will ensure that its personnel is trained in all laws, policies, procedures, and internal controls relevant to each employee's individual function, including developing special remedial training relating to the granting of credit to patrons, as required by Ohio Adm. Code 3772-10-03(C).
9. 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.
10. 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.
11. 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.
12. 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 understandings, 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.

13. 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.
14. 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 brought to a court of competent jurisdiction in the State of Ohio, County of Franklin.

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

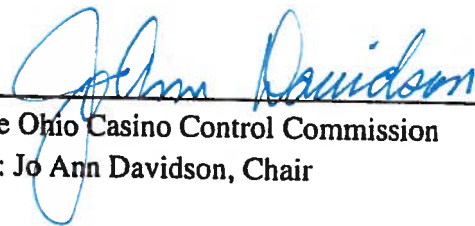
Accepted by:



Horseshoe Cincinnati Management, LLC
By: Kevin Kline, General Manager

2/5/14

Date



The Ohio Casino Control Commission
By: Jo Ann Davidson, Chair

2/12/14

Date