

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

IN THE MATTER OF: :
 : Case No. 2014-REG-002
ROC FINANCE, LLC :
FAILURE TO DISCLOSE SERIES OF :
EVENTS RELATING TO FF&E LOAN FACILITY :

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between ROC Finance LLC (“ROC Finance”) and the Ohio Casino Control Commission (“Commission”) to resolve Case No. 2014-REG-002 and the issues that arose regarding ROC Finance’s non-disclosure of certain debt-transaction events related to a previously-approved FF&E Loan Facility. Together, ROC Finance 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, Rock Ohio Caesars Cleveland LLC (individually, “ROC Cleveland”) and Rock Ohio Caesars Cincinnati LLC (individually, “ROC Cincinnati”) are licensed casino operators in this state, and both are wholly owned by ROC Finance, the FF&E Loan Facility Borrower, (collectively, “ROC Entities”);

WHEREAS, through its ownership and capital structure, ROC Finance is a holding company of ROC Cleveland and ROC Cincinnati and maintains the ROC Entities’ debt facilities;

WHEREAS, as a result, ROC Finance has the power and right to control the casino operator licensees in the ordinary course and is therefore responsible for complying with Ohio law and operating within the scope of Commission approval;

WHEREAS, during its probity investigation of ROC Finance’s February 2014 proposed FF&E debt transaction (“Refinance Proposal”), the Commission discovered violations of Ohio law and the Commission’s conditions of approval of a prior debt transaction, as evidenced by Resolution 2011-10;

WHEREAS, in light of that investigation and subsequent disclosures by ROC Finance, the Commission issued a Notice of Violation and Opportunity for Hearing (“Notice”), dated June 9, 2014, to ROC Finance (attached as Exhibit A), pursuant to and in accordance with R.C. Chapters 119 and 3772 and Ohio Adm. Chapters 3772-21 and 3772-22;

WHEREAS, in response to the Notice, ROC Finance submitted a written response on July 9, 2014, to the Commission wherein ROC Finance acknowledged receipt of the Notice and waived its right to a hearing pursuant to R.C. Chapters 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. ROC Finance makes the following admissions:
 - A. The ROC Entities' initial Refinance Proposal submission did not contain all of the information required by R.C. 3772.28(A) and Ohio Adm. Code 3772-29-01(B). Specifically, the submission lacked the necessary information about the events surrounding the failed attempts to amend and modify the same debt facility in September 2013, for which the ROC Entities received prior Commission approval ("September Proposal").
 - B. The ROC Entities did not timely notify the Commission of, or provide the agency with copies of, a duly executed Amendment to the existing FF&E Loan Facility, which the ROC Entities completed in November 2013 ("November Amendment"), in violation of Ohio Adm. Code 3772-29-01(H) and Resolution 2011-10, Conditions 1 and 7.
 - C. For a period of five months, the ROC Entities failed to notify the Commission of a series of events that transpired with respect to the September Proposal, including the ultimate collapse thereof and the resulting November Amendment. This failure violated Ohio Adm. Code 3772-4-09(A)(9) and (C) and caused the ROC Entities to operate outside the scope of Commission approval contained in Resolution 2011-10.

2. Pursuant to this Agreement, Case No. 2014-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 the ROC Entities, 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 the ROC Entities' compliance with Ohio law.

4. Nothing in this Agreement precludes the Commission from investigating and prosecuting the ROC Entities 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. Further, nothing herein limits the Commission's exercise of authority and discretion with respect to imposing additional conditions upon or taking further action against the ROC Entities under R.C. Chapter 3772 and the rules adopted thereunder for matters not specifically contemplated in this Agreement.

5. The ROC Entities will develop, implement, and submit in writing to the Commission certain remedial measures to their internal processes, policies, and procedures related to debt transaction approval requests under R.C. 3772.28 and Ohio Adm. Code 3772-29-01. Each proposed remedial measure will be submitted to the Commission within 10 days of the effective date this Agreement. No such measure is to be implemented until approved by the Commission.

6. The ROC Entities will prescribe in writing the duties of each person involved in debt transaction approval requests that are submitted to the Commission, including any amendments or modifications thereto, and will ensure that such persons are properly trained in all relevant processes, policies, and procedures, including any remedial measures, associated with such requests. This writing will be submitted to the Commission within 10 days of the effective date of this Agreement.

7. ROC Finance will pay a monetary fine in the amount of \$200,000.00.

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 the attached exhibit) 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.

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 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:



ROC Finance LLC
By: Matthew Cullen, Board of Managers Member and President

8-18-14
Date



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

8/20/14
Date