

OHIO CASINO CONTROL COMMISSION
MEETING MINUTES

10 A.M. – October 19, 2011
RIFFE CENTER, 77 SOUTH HIGH STREET
31ST FLOOR, SOUTH B AND C
COLUMBUS, OHIO 43215

The meeting was called to order at 10:15 a.m. by Chair Jo Ann Davidson. Commissioners McKinley Brown, Martin Hoke, Ranjan Manoranjan, John Steinhauer and June Taylor were in attendance. Commissioner Silverman had an excused absence. The minutes of the October 5, 2011 meeting were approved.

Executive Director Matt Schuler reported that his first priority is the hiring of staff in key function areas of licensing, regulatory compliance, and enforcement; as well as operations and fiscal management. Much of his time since joining the staff has been spent reviewing the qualifications of individuals from across the country. Interviews have occurred and will continue and Executive Director Schuler hopes to introduce new staff members at the November 2, 2011 meeting. After that, the next phase will be to build out the subordinate staff. One of the first major responsibilities internally, is the licensing of employees. He has been meeting with operator applicants and expressed that the meetings have resulted in productive partnerships.

Ameet Patel, General Manager of the Hollywood Casino in Columbus, gave a progress report on the construction of the casino. The construction topping-off ceremony was held last Wednesday, October 12, 2011 and he sees no hurdles to opening the Casino as projected. Chair Davidson announced that the progress update in its entirety will be available on the Casino Control Commission web site.

Richard St. Jean, General Manager of the Hollywood Casino in Toledo, gave a similar progress report on the Toledo casino. They are on track to move into administrative offices on the lower level by the end of November or beginning of December. All top level positions with the exception of food and beverage manager have been filled, and an executive chef has been hired. Mr. St. Jean reported that recruiting for dealers is ongoing; 7800 applications were received with 40% of those moving on to the next level of screening. He noted that 25% of the applicants did not move to the next level because the facility is hiring only non-smokers. Commissioner Steinhauer asked about the total square footage of the Columbus and Toledo facilities. Columbus will have 300,000 total square feet with 150,000 feet of that in the casino. Toledo will have 325,000 total square feet.

Chair Davidson noted that a significant amount of time has been spent on scope of licensing issues with the casino operator license applicants. She expressed appreciation to Steven Ingis of Spectrum Gaming Group, for the preparation of a timeline of the scope of licensing issues, and noted that everyone who is required to file has been identified. Chair Davidson reviewed

the timeline. 1) Decisions were made at the September 7th meeting of the Commission adopting Scope of Licensing policies and delaying action regarding certain disputed entities; 2) Both operators were asked to file briefs with their concerns to which Spectrum would respond. Decisions were made at the October 5th meeting regarding Centerbridge Capital Partners and Fortress Investment Group. 3) Remaining is the filing by Apollo and TPG, entities affiliated with Rock Ohio Caesars. The promised filing by these entities was late, and once received, Spectrum reviewed the filing and said they need more information. A meeting held October 18 to work out solutions, did not result in an agreement. Chair Davidson recommended no action by the Commission at the meeting. Additional meetings will be held next week and she would like the Commission to consider setting a deadline of November 4th for the issues to be resolved. There was agreement that a motion was not needed.

Chair Davidson then reminded those members of the audience representing individuals and entities for which there is no difference of opinion about filing, to do so as soon as possible so that the Commission can move on to those about which there is a difference of opinion.

Commissioner Hoke asked the filers to be sensitive to the time pressure that the operators are under, saying the operators will be in a tight time bind if the Commission does not get the information needed.

Mr. Ingis of Spectrum Gaming Group indicated that discussions continue with representatives of Apollo and TPG with the goal of meeting a November 4th filing deadline. He added that Spectrum will do everything they can to move the investigations along but the timeline for casino openings may have to be moved back. Fred Gushin of Spectrum Gaming Group agreed, noting that timelines were based on goals, but the important legal issues will set a precedent for other filings, and the timeline can be re-assessed after the filing issues are resolved. John Barron, Deputy Executive Director, pledged to work for resolution by the end of the week.

Commissioner Hoke asked Spectrum representatives, what the earliest date could be for the Rock Ohio Caesars investigation to be completed, if all outstanding issues are worked out by November 1st. Spectrum responded that a four month period would be needed. Commissioner Steinhauer asked if the operator filers understood the ramifications of delay, to which Spectrum responded that they do. Chair Davidson said this issue will be on the agenda for the next Commission meeting.

Chair Davidson noted that the consideration of the Casino Operator and Management Company License rule, listed on the meeting agenda, will be delayed. Susan Choe of the Attorney General's office said that the Rule was close to completion, but required additional work prior to presentation to the Commission.

Chair Davidson offered Resolution 2011-23, to adopt the rule for approval of debt transactions approved by the Joint Committee on Agency Rule Review on October 3, 2011. The Resolution was unanimously adopted upon a motion made by Commissioner Manoranjan and seconded by Commissioner Brown.

Chair Davidson opened discussion of the Gaming Vendor Licensing process. Mr. Gushin reported they are trying to accelerate the process by meeting individually with the vendors, and streamlining the applications process. Spectrum has created a 4th team of investigators specifically for vendor application review and investigation. A cost estimate for the review will be available at the next Commission meeting.

Additional scope of service proposals were offered by Spectrum to conduct a probity investigation of Lakes Entertainment in connection with the Rock Ohio Caesars application, and Fortress Investment Group in connection with the Penn National gaming application. A motion was made by Commissioner Steinhauer and seconded by Commissioner Hoke to approve the proposals. It was agreed to unanimously.

Rick Anthony of the Casino Control Commission reported on productive meetings with the general managers and human resource representatives of the Hollywood Casino in Toledo and the Horseshoe Casino in Cleveland in preparation for the gaming employee licensing process. With the assistance of the State OIT, there is now a secure electronic means for gaming vendor and key employee applications to be filed with the OCCC. Chair Davidson asked for a report at the next meeting as to the numbers of employees being licensed at each casino, expressed as gaming and non-gaming employee totals.

Chair Davidson asked if there was additional business to come before the Commission. Commissioner Brown made a motion to put into process the negotiation of an acceptable MOU with BCII for gaming agents for a limited period of time. Commissioner Taylor seconded the motion. Chair Davidson commented that invitations were extended to BCII and the Ohio State Highway Patrol to attend the meeting and make additional comments, but were declined. The motion was approved unanimously. Commissioner Hoke suggested that Commissioner Brown take the lead on this issue. Commissioner Brown added that it is in the interest of the Commission to get their own agents up and running as soon as possible, and have a limited period of outside assistance.

Chair Davidson noted that the Commission has held 16 meetings since March 1st, 2011 and would like to soon be on a monthly schedule.

The Commission meeting adjourned at 11:05 a.m.