

OHIO CASINO CONTROL COMMISSION
MEETING MINUTES
10:00 A.M. – August 15, 2012
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 10:15 a.m. by Chair Jo Ann Davidson. Commissioners McKinley Brown, Martin Hoke, Ranjan Manoranjan, Peter Silverman, John Steinhauer, and June Taylor were also in attendance. The minutes of the July 18, 2012 meeting were approved following a motion by Commissioner Hoke and seconded by Commissioner Manoranjan.

Executive Director Matt Schuler told the Commission that Rock Ohio Caesars will be seeking review and approval at the next Commission meeting, of a debt transaction for the purpose of transitioning Thistledown racetrack to a racino. Mr. Schuler has received a letter from the Columbus Hollywood Casino requesting October 3, 2012 as the date for their controlled demonstration. They plan to have all areas open and operate three shifts of employees. The event will be by invitation only, with 10,000 invited during the 9 a.m. to 5 p.m. period and an additional 3,000 invited to a 6 p.m. to midnight event. At the September 12th Commission meeting, the casino's selection of charities to receive the revenue from the controlled demonstration, will be presented. The Cincinnati Horseshoe Casino will begin accepting applications for dealers on August 21. OCCC staff will meet with the Horseshoe Cincinnati senior team later this month to begin discussion of a timeline for meeting the numerous requirements for licensing and setting an opening date.

OCCC Staff David Acosta, and Aleah Page, provided updates from the Division of Licensing. To date, 2,646 employee gaming licenses have been granted and 300 are pending. An additional 600 to 700 license applications are expected from the Hollywood Columbus casino within the next two weeks. All provisional licenses previously granted by the Commission have been replaced by permanent licenses. Fourteen gaming-related vendor licenses have been granted.

Patrick Martin, OCCC Staff, reported that the Regulatory Compliance division continues to refine auditing procedures and will be managing slot machine verification for the Columbus casino the week of August 20.

Karen Huey, OCCC Staff, reviewed activity of the Division of Enforcement. The first indictments were made for individuals charged at the Hollywood Casino Toledo. That action along with previous Cleveland indictments provided a good test for the enforcement procedures, Ms. Huey explained, as the illegal activity had occurred just after the opening of each of those casinos, but was detected by casino surveillance and OCCC gaming agents. Hiring is underway for Columbus casino gaming agents with the goal of having them on board and in training through the month of September. Kurt Scherer, Deputy Director of Enforcement, who is retiring at the

end of August, was commended for his service to the OCCC. Replacing him will be Michael Masterson, currently OCCC Supervising Agent at the Toledo casino.

Laura Clemens, OCCC staff, reported that 69 applications have now been received for the Voluntary Exclusion Program. The problem gambling helpline has showed increased usage which Ms. Clemens attributed to the switch to an in state vendor for the management of that line.

Noah Browning, OCCC Fiscal Officer reviewed the quarterly financial projections noting that revenue is on track with estimates for the quarter. Expenditures are as well, but will see an increase with the opening of the OCCC office at the Columbus casino.

Commission Rules for Initial Filing were presented to the Commission by John Barron. Mr. Barron explained that these are revised rules necessitated by changes to the statute as well as improvements to existing rules. Commissioner Silverman made a motion to approve the filing of revisions to the following OAC Rules:

- 3772-1-04 Waivers and variances

- 3772-3-01 Institutional investors

- 3772-3-02 Institutional investor suitability or qualification

- 3772-3-03 Duty to update information

- 3772-4-09 Duty to update information

- Appendix 1 to 3772-3-02 Institutional Investor Certification Form

The motion was seconded by Commissioner Brown and approved.

Matt Oyster, OCCC Staff, reviewed for the Commission the \$1 million Surety Bond which has been purchased by the Hollywood Columbus Casino, as required by statute. Commissioner Taylor made a motion to adopt Commission Resolution 2012-72, to approve the surety bond posted by Central Ohio Gaming Ventures, LLC (d/b/a Hollywood Casino Columbus). The motion was seconded by Commissioner Brown and approved.

Commission Resolution 2012-69, granting a gaming-related vendor license to KGM Gaming LLC, was brought before the Commission in a motion by Commissioner Taylor. The Resolution also approves the adequacy of insurance provided by the vendor, and licenses their Key Employees. The proposed license contains several conditions, compliance with which will be monitored by the OCCC. KGM was represented by Jason Cohen, Executive Vice President. Commissioner Manoranjan seconded the motion and the Resolution was approved.

Commission Resolution 2012-70, to grant gaming-related vendor licenses to Japan Cash Machine Co. Ltd., and JCM American Corporation was brought before the Commission. The Resolution would also approve the adequacy of the entities' insurance, and grant licenses to their listed Key Employees. Commissioner Taylor made a motion to approve the Resolution. The motion was seconded by Commissioner Brown and approved.

At the next Commission meeting, the Licensing Division will provide a spreadsheet of all the licensed vendors and the status of any conditions imposed.

John Barron, OCCC Staff, presented to the Commission a letter from a former Key Employee of Hollywood Casino Toledo. The letter requests approval for the withdrawal of the employee from the licensing process, as required. Commissioner Hoke made a motion to approve the withdrawal. The motion was seconded by Commissioner Taylor and approved.

Commissioner Brown made a motion to adopt Commission Resolution 2012-71, granting gaming employee licenses to 178 individuals seeking employment with Hollywood Casino Columbus. Chair Davidson asked to be recused from the vote. The motion was seconded by Commissioner Taylor and approved.

John Barron, OCCC General Counsel, explained the various final orders before the Commission, for gaming employee license applicants. The first adjudicatory hearings have been completed and a Report and Recommendation for each license applicant has been issued by the Hearing Examiner and reviewed by OCCC Staff. The license applications of six individuals were considered:

In re: Cory Valentine, Casino Gaming Employee License Applicant (Case # 2012-0001), the Chair made a motion to approve and adopt the recommendation of the Hearing Examiner, to deny the license application. The motion was seconded by Commissioner Taylor and approved.

In re: Donald Adams, Casino Gaming Employee License Applicant (Case # 2012-0002), the Chair made a motion to approve and adopt the recommendation of the Hearing Examiner, to deny the license application. The motion was seconded by Commissioner Taylor and approved.

In re: Timothy Hanson, Casino Gaming Employee License Applicant (Case # 2012-0006), the Chair made a motion to approve and adopt the recommendation of the Hearing Examiner, to approve the license application. The motion was seconded by Commissioner Taylor and approved.

In re: Adam Leonard, Casino Gaming Employee License Applicant (Case # 2012-0008), the Chair made a motion to approve and adopt, with modification, the recommendation of the Hearing Examiner to deny the license application. The motion was seconded by Commissioner Taylor and approved.

In re: Melinda Risner, Casino Gaming Employee License Applicant (Case # 2012-0012), the Chair made a motion to approve and adopt, with modification, the recommendation of the Hearing Examiner to deny the license application. The motion was seconded by Commissioner Taylor and approved.

In re: Jack Dempsey, Casino Gaming Employee License Applicant (Case # 2012-0036), the Chair made a motion to approve and adopt the recommendation of the Hearing Examiner to deny the license application. The motion was seconded by Commissioner Taylor and approved.

Required operational plans have been submitted for approval by the Hollywood Columbus Casino. OCCC staff reviewed the Internal Controls, noting that much of the submission is similar to that from Hollywood Toledo. Two sections, the Banking Secrecy Act provisions, and standards for certifying third party vendors, are included due to regulation changes. Four requested waivers for the Internal Controls have been endorsed by OCCC Staff. Two of these waivers are necessary because the two new sections of law are not yet reflected in the Commission regulations. The other two waivers would allow slot department employees' tips to be deposited in a "non-transparent" box, and modify the description of licensed employees required to perform dice inventory.

A Security and Surveillance Plan, and Responsible Gaming Plan, were also presented. Security and Surveillance is also similar to Toledo, with modifications to reflect the differing layout of the Columbus casino. The Responsible Gaming Plan is also similar to that for the Toledo casino, but reflects the policy which will be in place in Columbus, allowing no one under 21 into the facility.

Commissioner Taylor moved for the adoption of Commission Resolution 2012-73, approving the Hollywood Casino Columbus's internal control plans. The motion was seconded by Commission Brown and approved.

Commissioner Taylor made a separate motion to approve the adoption of the requested Internal Control Plan waivers. The motion was seconded by Commissioner Steinhauer and approved.

Chair Davidson noted that Hollywood Columbus Casino had asked to be excused from the presentation of a progress report at this meeting because of the expected operator licensing presentation at the September meeting. The next regular meeting will be held on September 12th so as to accommodate the required submission of OCCC budget information. Also likely to be on the agenda for the September meeting, are consideration of a Caesars debt transaction, and the Key Employee License applications for Hollywood Columbus.

There being no further business before the Commission, the meeting was adjourned at 12:00 PM.

Signed,
Katherine L. Kelly
Commission Clerk