

OHIO CASINO CONTROL COMMISSION
MEETING MINUTES
10:00 A.M. – May 22, 2014
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 10:12 a.m. by Chair Jo Ann Davidson. Commissioners McKinley Brown, Martin Hoke, Will Lucas, Ranjan Manoranjan, John Steinhauer, and June Taylor were also in attendance. The minutes of the April 16, 2014 meeting were approved following a motion by Commissioner Manoranjan, seconded by Commissioner Taylor.

The meeting began with Executive Director Schuler's introduction of Ameet Patel, former General Manager at Hollywood Columbus Casino, and the newly appointed Senior Vice President of Regional Operations for Penn National Gaming. Mr. Patel then introduced the new General Manager at Hollywood Columbus Casino, Himbert Simpoli.

Executive Director Schuler began his monthly report to the Commission by highlighting these areas:

- House Bill 491, which proposes to give the OCCC defined regulatory authority over skill based amusement games, has passed the House and now awaits consideration by the Senate.
- New gaming agents are coming on board, and additional training has been scheduled for these agents and the regulatory auditors.
- OCCC is nearing 1,000 persons in the Voluntary Exclusion Program, with a record high 74 enrollments last month.

The next item on the agenda was a presentation by Caesars Entertainment Corporation regarding their financial status. Appearing before the Commission on behalf of Caesars were John Payne, President of Central Markets for Caesars Entertainment Corporation; Eric Hession, Senior Vice President of Finance and Treasurer of Caesars Entertainment Corporation; Susan Carletta, Vice President of Compliance for Caesars Entertainment Corporation; and Kevin Kline, General Manager of Horseshoe Cincinnati Casino.

Speaking jointly, Mr. Hession and Ms. Carletta explained that Caesars Entertainment Corporation (CEC), is a highly leveraged company and has concluded over 40 capital market transactions since the recession. The primary actions taken have been: 1.) the sale of shares of Caesars Entertainment Operating Company, Inc. (CEOC) 2.) A \$1.2 billion term loan to retire the maturity of other outstanding loans 3.) The sale of assets from CEOC to Caesars Growth Partners (CGP) 4.) The creation of a services company, Caesars Enterprise Services, LLC.

Ms. Carletta said the Services Company is an entity created to provide services to all the other Caesars public entities. Executive Director Schuler noted that once all of the documents are complete regarding the creation of the Services Company, a decision will be made as to whether the new company falls into another licensing category.

Mr. Hession reviewed the recent capital restructuring of Caesars and the percentages held by the various related entities. He told the Commission that the new structure enables an annual recalibration of the cost of redistribution so that those growing entities take a bigger part of the expenses and pay more to the new services entity. Financial advisors are preparing fairness reports regarding the creation of Services Company. OCCC has requested copies of those reports upon completion.

Mr. Hession continued, saying that CEOC has no additional plans for acquisition and expressed his opinion that suitability for licensure by the OCCC has not been affected.

Chair Davidson made a motion, stating, "The material terms of Caesars Entertainment Operating Company's corporate and financial restructuring contain matters required to be kept confidential by state statute. In particular, discussion of these terms requires consideration of financial and trade secret information that is deemed confidential under R.C. 3772.16(A)(9) and (12), respectively. Accordingly, I move to go into executive session pursuant to R.C. 121.22(G)(5)." The motion was seconded by Commissioner Taylor and a roll call vote was taken, with the results being 7 ayes and 0 nays. The Commission went into Executive Session at 11:02 a.m.

The regular meeting of the Commission resumed at 12:17 p.m.

Twenty-five new rules and amendments to the administrative code were presented to the Commission for consideration of final filing. Michelle Siba, OCCC Assistant General Counsel, explained that the rules and amendments were initially proposed in January and February, 2014, and JCARR jurisdiction over the rules ended on May 18. Rules to be considered were:

3772-1-06 (New) Minimum licensure requirements.

3772-9-05 (Amendment) Transportation of electronic gaming equipment to and from a casino facility.

3772-9-08 (Amendment) Movement of electronic gaming equipment within a casino facility.

3772-10-09 (Amendment) Complimentaries.

3772-10-10 (Amendment) Personal check cashing.

3772-10-18 (Amendment) Table drop boxes and slot bill validator canisters: physical requirements and transportation.

3772-10-26 (Amendment) Key controls.

3772-11-15 (Amendment) Inventory of chips.

3772-11-17 (Amendment) Counterfeit chips.

3772-11-21 (Amendment) Dice; receipt, storage, inspections, and removal from use.

3772-11-37 (Amendment) Minimum and maximum table game wagers.

3772-11-40 (Amendment) Poker room; general.
3772-11-42 (Amendment) Poker room; banks and transactions.
3772-12-02 (Amendment to appendix) Application for voluntary exclusion.
3772-12-03 (Amendment) Responsibilities of voluntarily excluded individual.
3772-19-01 (Amendment) Surveillance.
3772-19-02 (New) Surveillance plan.
3772-19-03 (New) Required surveillance system.
3772-19-04 (New) Commission surveillance room and on-site facilities.
3772-19-05 (New) Casino surveillance room.
3772-19-06 (New) Surveillance department.
3772-19-07 (New) Required surveillance coverage.
3772-19-08 (New) Surveillance retention.
3772-19-09 (New) Surveillance logs and incident reports.
3772-19-10 (New) Maintenance and malfunctions.

Commissioner Taylor made a motion to adopt Commission Resolution 2014-08, approving final filing of the rules. The motion was seconded by Commissioner Lucas and approved.

The application of Ainsworth Game Technology, Inc. (AGT, Inc.) for a license as a Gaming-Related Vendor, was reviewed for the Commission by Tony Forchione, OCCC Director of Licensing and Investigations. The applicant's parent corporation, AGT, Ltd., is already licensed as a vendor in Ohio, however, OCCC has determined that the more appropriate licensee is AGT, Inc. The probity background investigation of AGT, Inc. was conducted and an investigative report completed. OCCC staff recommended granting the Gaming-Related Vendor license to AGT, Inc. and Key Employee licenses to two AGT principals. Commissioner Taylor made a motion to adopt Commission Resolution 2014-09, approving the licenses. The motion was seconded by Commissioner Manoranjan and approved.

Tony Forchione, OCCC Director of Licensing and Investigation, presented for consideration by the Commission, the application of four individuals for key employee licenses. The OCCC Division of Licensing and Investigation had completed their background investigation of the applications and recommended approval of Commission Resolution 2014-10, granting three-year key employee licenses to Stephen Ives, Multimedia Games Holding, Inc.; Hussain Mahrous, Hollywood Casino Columbus; James Metcalfe, Scientific Games Corp.; and Andrew Tomback, Scientific Games Corp. A motion to approve the Resolution was made by Commissioner Brown. The motion was seconded by Commissioner Steinhauer and approved.

Patrick Martin, Director of Regulatory Compliance, presented requests from all four casinos to waive the administrative code's effective prohibition on pre-shuffled cards. The waivers would allow each casino to accept pre-shuffled cards for Blackjack and Mini-Baccarat, only from Commission-approved vendors. These would be vendors whose automated pre-shuffling process had been reviewed and approved by OCCC Staff. Jim Owens, Vice President of Operations at US Playing Card, explained for the Commission, the additional level of review that is performed at his company regarding pre-shuffled decks.

Chair Davidson stated that a blanket motion for the waiver at all four casinos would be accepted. Commission Lucas made a motion to approve the waivers. The motion was seconded by Commissioner Taylor and approved.

Mr. Martin presented amendments to Internal Controls being sought by each casino. All of the proposed changes had been reviewed and recommended by the OCCC staff.

- Hollywood Columbus Casino requested changes to its Accounting, Internal Audit, Table Games and Rules plans. Commissioner Steinhauer made a motion to approve the changes. The motion was seconded by Commissioner Lucas and approved.
- Hollywood Toledo Casino requested changes to its General, Accounting Operations, Player Services, Information Technology, Key Control, Marketing, Security, and Table Games Operations plans and to its Table Games Operations Appendix. Commissioner Manoranjan made a motion to approve the changes. The motion was seconded by Commissioner Taylor and approved.
- Horseshoe Cincinnati Casino requested minor changes to its Cage, Slots, Table Games, Internal Audit and Promotions plans. A motion to approve the proposed changes was made by Commissioner Brown. The motion was seconded by Commissioner Lucas and approved.
- Horseshoe Cleveland Casino requested changes to its Accounting, Cage, Credit and Table Games plans. A motion to approve the proposed changes was made by Commissioner Lucas. The motion was seconded by Commissioner Steinhauer and approved.

John Barron, OCCC Deputy Executive Director and General Counsel, presented three final orders to the Commission for consideration.

In re: Brian Dennis, (Case # 2014-LIC-002), Mr. Barron explained that the gaming employee license holder had requested a hearing following notice of license revocation. The hearing examiner recommended that appropriate administrative action be taken. OCCC staff recommended approval of the report of the hearing examiner with one modification, specifying that the administrative action to be taken was license revocation. Chair Davidson made a motion to approve and adopt the Report and Recommendation with modification for Brian Dennis. The motion was seconded by Commissioner Taylor and approved. Commissioner Steinhauer urged OCCC rejection of a hearing examiner's report, in the future, if there is no specific recommendation made.

In re: Matthew Fletcher, (Case # 2014-LIC-004), a hearing was not requested. Chair Davidson made a motion to revoke the casino gaming employee license. The motion was seconded by Commissioner Taylor and approved.

In re: Jimica Phelps, (Case # 2014-LIC-014), a hearing was not requested. Chair Davidson made a motion to revoke the casino gaming employee license. The motion was seconded by Commissioner Taylor and approved.

There being no further business before the Commission, the meeting was adjourned at 1:00 p.m.

Signed,
Katherine L. Kelly
Commission Clerk

Approved: June 18, 2014