

OHIO CASINO CONTROL COMMISSION
MEETING MINUTES
10:00 A.M. – December 16, 2015
RHODES TOWER, LOBBY HEARING ROOM
30 W. BROAD STREET
COLUMBUS, OHIO 43215

The regular meeting of the Ohio Casino Control Commission (OCCC) was called to order at 10:13 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 November 18, 2015 meeting were approved following a motion by Commissioner Lucas, seconded by Commissioner Steinhauer.

Executive Director Schuler began his report with an overview of the Commission's jurisdiction over skill-based amusement machine operations, including jurisdiction over all persons conducting or participating in the conduct of skill-based amusement machine operations. Mr. Schuler explained that House Bill 54 had clarified the Commission's jurisdiction over skill-based games to include the functions of licensing, regulating, investigating, and penalizing those persons in a manner that is consistent with the Commission's authority to do the same with respect to casino gaming. To carry out these additional functions, the Commission may adopt rules, including establishing rules regarding fees and penalties. Mr. Schuler introduced Andromeda Morrison, the Commission's first Director of Skilled Games, who will be developing rules to regulate skilled games legally.

Mr. Schuler ended his report with Mike Masterson, Director of Enforcement, providing an update on the Commission's recent investigations of illegal casinos.. Mr. Masterson reported a tip had been received that Lucky You was paying out cash to patrons in violation of state law. After a full investigation, the Commission's Enforcement Division along with the assistance of several other law enforcement agencies, served warrants upon two business and one residence affiliated with Lucky You. Mr. Masterson reported 15 slot machines and 244 motherboards were seized, in addition to \$319,000 in currency. To date, 124 tips have been received on alleged illegal casino facilities, and the Commission's Enforcement Division currently has 48 open and active investigations from these tips.

Chair Davidson indicated the Rock Ohio Caesars, LLC (ROC) refinancing proposal would be moved to the end of the agenda.

Matthew Oyster, Director of Licensing and Investigations, then presented to the Commission for consideration, Key Employee Licenses for eight individuals. The OCCC Division of Licensing and Investigations had completed background investigations of the applicants and recommended approval. Mr. Oyster recommended approval of Commission Resolution 2015-43, granting three-year key employee licenses to James Dumond, Rock Gaming, LLC, Brian Eby, Rock Gaming, LLC, Jason Gregorec, Rock Gaming, LLC, Glen Tomaszewski, Rock Gaming, LLC, Denise White, Rock Gaming, LLC, Anthony Williams, Rock Gaming, LLC, Kazuya Kozuki, Konami Gaming, Inc., and Osamu Nakano, Konami Gaming, Inc. A motion to approve the Resolution was made by Commissioner Taylor. The motion was seconded by Commissioner Manoranjan and approved.

Mr. Oyster then presented to the Commission for consideration, Key Employee renewal applications for seven individuals. The OCCC Division of Licensing and Investigations had completed background

investigations of the applicants and recommended approval. Mr. Oyster recommended approval of Commission Resolution 2015-44, granting three-year key employee licenses to Jay Bean, Horseshoe Casino Cincinnati, Herman Campuzano, Horseshoe Casino Cincinnati, Derek Dishman, Horseshoe Casino Cincinnati, Richard Janke, Horseshoe Casino Cincinnati, David Smart, Horseshoe Casino Cincinnati, Leonard Ainsworth, Ainsworth Game Technology, Inc., and Kyle Martin, Penn National Gaming, Inc. A motion to approve the Resolution was made by Commissioner Manoranjan. The motion was seconded by Commissioner Brown and approved.

Patrick Martin, OCCC Director of Regulatory Compliance, presented to the Commission for their consideration, amendments to Internal Controls being requested by all of the casinos. All the proposed changes had been reviewed and recommended by the OCCC staff.

- Hollywood Casino Columbus (HCO) added “know your customer” (KYC) controls to its Anti-Money Laundering (AML) plan, and a reference to its Internal Audit section recognizing the need to audit the new KYC controls. The KYC controls were noted to reflect HCO’s duty to investigate certain transactions and players, from the direction of the Department of Treasury’s Financial Crime Enforcement Network. Commissioner Lucas made a motion to approve the proposed changes. The motion was seconded by Commissioner Brown and approved.
- Hollywood Casino Toledo (HCT) made similar changes to its Internal Audit and AML plans as its sister property. It was noted that HCT had not vetted the disciplinary exceptions section through its union yet, and therefore that section was removed. HCT is expected to include that section in next month’s changes. Commissioner Taylor made a motion to approve the proposed changes. The motion was seconded by Commissioner Lucas and approved.
- Horseshoe Casino Cincinnati (UCI) sought to add the job description for its compliance officer to its introductory controls, and sought changes to its Accounting, IT, Responsible Gaming (RG), Slots, Tables, and Promotions plans. The most important change was the entire re-write of the UCI’s RG plan, as a result of Laura Clemens, Director of Government Affairs and Responsible Gambling Program Coordinator’s, and compliance’s end-of-summer RG audit. Commissioner Lucas made a motion to approve the proposed changes. The motion was seconded by Commissioner Steinhauer and approved.
- Horseshoe Casino Cleveland (UCL) made nearly identical changes to the controls that UCI sought, including the re-write of its RG plan. Additionally, UCL re-wrote its Security Plan. Commissioner Taylor made a motion to approve the proposed changes, including immediate changes. The motion was seconded by Commissioner Hoke and approved.

John Barron, Deputy Executive Director and & General Counsel, then presented four final orders to the Commission for consideration:

In re: Guynisha Brown(Case #2015-LIC-007). Chair Davidson made a motion to approve and adopt the Report and Recommendation of the hearing examiner without modification to deny licensure for Guynisha Brown. The motion was seconded by Commissioner Manoranjan and approved.

In re: Stevie Pollard (Case #2015-LIC-012). Chair Davidson made a motion to revoke the CGE License for Stevie Pollard. The motion was seconded by Commissioner Brown and approved.

In re: David Monday (Case #2015-LIC-015). Chair Davidson made a motion to revoke the CGE License for David Monday. The motion was seconded by Commissioner Lucas and approved.

In re: Justice Turner (Case #2015-LIC-017). Chair Davidson made a motion to deny the CGE License Application for Justice Turner. The motion was seconded by Commissioner Manoranjan and approved.

Reverting to the previous agenda, Anna Marin Russell, Manager of Investigations, presented to the Commission for consideration, a refinancing proposal for ROC. Ms. Russell indicated that ROC, on behalf of its wholly owned subsidiaries, requested the approval of a refinancing proposal to refinance its existing Second Priority Senior Secured Notes, initially approved by the Commission in 2011. Ms. Russell noted that while the proposed refinancing transaction did not meet the technical elements of a debt transaction, the proposed transaction presented such a material and substantial impact to ROC's overall financial standing and pro forma capital structure, as to necessitate formal consideration by the Commission.

Thereafter, Messrs. Ryan Sullivan and Dan Reinhard, representing ROC, presented ROC's request to refinance part of its debt structure to reduce costs. Ms. Russell reported that the Division of Licensing and Investigation had completed a probity investigation and review of all materials related to the transaction and recommended approval of the Commission's Resolution 2015-42.

Commissioner Steinhauer had questions related to the refinancing proposal that were confidential in nature. Accordingly, Chair Davidson made a motion to go into executive session pursuant to R.C. 121.22(G)(5), stating the following: "The material terms of Rock Ohio Caesars LLC's proposed debt transaction 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 adopted by a roll call vote 7-0.

The Commission moved into Executive Session at 11:09 a.m.

The regular meeting of the Commission resumed at 12:35 p.m., and reverted back to the consideration of ROC's refinancing proposal approval request. Ms. Russell stated the Division of Licensing and Investigations had found ROC's proposal to be commercially reasonable and recommended approval of the Commission's Resolution 2015-42 approving the refinancing proposal with conditions. A motion to approve the refinancing proposal was made by Commissioner Steinhauer. The motion was seconded by Commissioner Taylor and approved.

There being no further business before the Commission, the meeting was adjourned.

Signed,



Lara B. Thomas
Commission Secretary

Approved: January 20, 2016