

OHIO CASINO CONTROL COMMISSION  
MEETING MINUTES  
10:00 A.M. – August 17, 2016  
RHODES TOWER, 3<sup>rd</sup> FLOOR ADMINISTRATIVE HEARING ROOM  
30 W. BROAD STREET  
COLUMBUS, OHIO 43215

The regular meeting of the Ohio Casino Control Commission (OCCC) was called to order at 10:08 a.m. by Chair Davidson. Commissioners McKinley Brown, Martin Hoke, Will Lucas, Ranjan Manoranjan, and John Steinhauer were also in attendance. Commissioner Taylor had an excused absence. The minutes of the July 13, 2016 meeting were approved following a motion by Commissioner Hoke, seconded by Commissioner Manoranjan.

Executive Director Schuler began his report recognizing Joy Estose and Doug St. Clair on their retirement and service to the Commission.

Next, Mr. Schuler discussed the importance of providing resources for Ohioans with gambling addiction. Mr. Schuler advised the Commissioners that the OCCC is partnered with the Ohio Department of Mental Health and Addiction Services to provide prevention, treatment, and recovery support services for gambling disorders. Mr. Schuler introduced Stacey Frohnapfel-Hasson and Scott Anderson to provide an update on the “Be the 95%” problem gambling awareness campaign. Ms. Frohnapfel-Hasson reported the campaign won all four campaign award categories at the National Council on Problem Gambling (NCPG) national conference held in July, including the Public Awareness Award, Social Media Award, Website Award, and the People’s Choice Prevention Showcase Award. The campaign was rooted in public health, and the overall goal was scientific education and awareness. Campaign tactics included heavy social marketing, community toolkits, mobile geo-fencing near casino and racino venues, an online problem gambling quiz, and cable, radio, and billboard ads. It was reported that the “Be the 95%” campaign will continue into 2017, with plans to add a problem-gambling blog, and continued media outreach goals.

Rick Anthony, Manager of Operations, then provided an update on the FY17 budget. Tax revenues were noted to be above estimates, whereas operator fees were lowered by \$500,000 due to receiving an Operator fee early in FY16. Equipment expenses were lowered, due to obtaining new computer equipment in FY16 rather than in the upcoming FY17. Mr. Anthony reported the Commission will continue to watch expenses closely and advise of any changes. It was further noted that the estimated FY18-19 budget plan would be submitted soon.

Matt Oyster, Director of Licensing and Investigations, then presented the Gaming-Related Vendor License application for Quintus Landlord LLC (Quintus), and related holding companies. On June 24, 2016, Quintus filed an application for a new license. The Division of Licensing and Investigations conducted suitability background investigations of Quintus and its three holding companies and recommended approval. Mr. Oyster recommended approval of Commission Resolution 2016-16, granting a three-year Gaming-Related Vendor License to Quintus. Commissioner Lucas made a motion to adopt Commission Resolution 2016-16, approving the license. The motion was seconded by Commissioner Brown and approved.

Mr. Oyster, then presented a Gaming-Related Vendor License renewal applications for GLP Capital, L.P. (GLP) and Penn Tenant, LLC (Penn Tenant), and related holding companies. Initial gaming-related vendor licenses were issued by the Commission to GLP on September 18, 2013, through Resolution 2013-22, and to Penn Tenant on August 21, 2013, through Resolution 2013-20. The entities were licensed in connection with the 2013 corporate restructuring of Penn National Gaming, Inc. (Penn National). The Division of Licensing and Investigations conducted suitability background investigations of GLP and its three holding companies, as well as Penn Tenant and its two holding companies and recommended approval. Mr. Oyster recommended approval of Commission Resolutions 2016-17 and 2016-18, granting three-year Gaming-Related Vendor Licenses to GLP and Penn Tenant.

Commissioner Manoranjan made a motion to adopt Commission Resolution 2016-17, approving the renewal license for GLP. The motion was seconded by Commissioner Brown and approved. Commissioner Hoke made a motion to adopt Commission Resolution 2016-18, approving the renewal license for Penn Tenant. The motion was seconded by Commissioner Manoranjan and approved.

Next, Mr. Oyster presented Key Employee initial applications for four individuals for Ainsworth Game Technology, Inc., Aristocrat Technologies, Inc., Aristocrat Leisure Ltd., and Konami Gaming, Inc., a new Key Employee application for one individual for Everi Holdings, Inc., and six Key Employee renewal applications for Gaming Partners International USA, Inc., Gaming and Leisure Properties, Inc., Penn National, and TCS John Huxley America, Inc. & TCS John Huxley Europe Ltd. The Division of Licensing and Investigations completed background investigations of the applicants and recommended approval. Mr. Oyster recommended approval of Commission Resolution 2016-19, granting three-year key employee licenses to Heather Scheibenstock, Richard Schneider, Arlene Tansey, Eileen Raney, Francisco Moreno Sanchez, Joseph Marshall, III, Evan Urdang, Thomas Jingoli, Ronald Naples, Todd Cravens, and Eric Poulton. A motion to approve the Resolution was made by Commissioner Lucas. The motion was seconded by Commissioner Brown and approved.

Lastly, Mr. Oyster presented consideration of license surety bonds for approval for both JACK Cincinnati Casino LLC (JCI LLC) and JACK Cleveland Casino LLC (JCL LLC). Due to the recent transition of the Cincinnati and Cleveland properties to JACK Entertainment, both JCI LLC and JCL LLC were required to obtain a surety bond as required by R.C. 3772.112, to be approved by the Commission. Mr. Oyster recommended approval of Commission Resolution 2016-20, approving the license surety bond for JCI LLC. A motion to approve Resolution 2016-20 was made by Commissioner Hoke. The motion was seconded by Commissioner Manoranjan and approved. A motion to approve Resolution 2016-21 was made by Commissioner Lucas. The motion was seconded by Commissioner Brown and approved.

Dan Reinhard, Matt Cullen, and Mark Dunkeson were present to provide the Commission with a JACK Entertainment (JACK) business update. Mr. Reinhard reported JACK had successfully completed its transitions of the Thistledown, Cleveland, and Cincinnati properties from Caesar's Management to JACK. Mr. Reinhard indicated that JACK's next step would be look at property expansion. Mr. Reinhard stated that the discussion of certain JACK developments included financial information that was 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: "Discussion of JACK Ohio LLC's financial and corporate conditions include matters that are required to be kept confidential by state statute. In particular, this discussion requires disclosure 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 Brown and adopted by a roll call vote 6-0.

The Commission moved into Executive Session at 10:57 a.m.

The regular meeting of the Commission resumed at 12:00 p.m., and Mr. Schuler concluded his Executive Director's Report.

Andromeda Morrison, Director of Skilled Games, presented to the Commission proposed rules 3772-50-01 through 3772-50-10, for their initial approval. A motion to adopt the initial rules was made by Commissioner Steinhauer. The motion was seconded by Commissioner Lucas and adopted.

Will Cox, Assistant General Counsel, presented to the Commission proposed amendments to existing rules in 3772-12, 3772-13, 3772-21, 3772-22, and 3772-23, pursuant to the required R.C. 119.04 five-year review. A

motion to adopt the initial rules and amendments was made by Commissioner Hoke. The motion was seconded by Commissioner Manoranjan and adopted.

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

- HCO sought amendments to its General, Player Services, Security, Slots, Surveillance, and Table Games plans. Most notably, HCO made changes to its organizational charts, updating its procedures for processing complimentarys, and making necessary changes as a result of OCCC audit findings. Commissioner Hoke made a motion to approve the proposed changes. The motion was seconded by Commissioner Lucas and approved.
- JCI requested changes to its Accounting, Table Games, Sensitive Keys, and Introduction plans. Importantly, JCI improved its turnaround on updating employees' signature cards from 30 to 14 days. Signature cards establish employees' authorization levels to, among other things, create financial records. Additionally, JCI clarified in its Table Games plan, the procedure on inventorying partial chip stacks in the table game floats, improving its variance procedure and reporting. Commissioner Hoke made a motion to approve the proposed changes. The motion was seconded by Commissioner Brown and approved.
- JCL sought changes to its Introduction, Accounting, Table Games, Promotions and Security Plans. It was noted that JCL is making the same compliance division restructuring that its sister-property proposed. Secondly, JCL is improving its procedures on variance investigation within its Table Games Plan. Commissioner Hoke made a motion to approve the proposed changes. The motion was seconded by Commissioner Brown and approved.

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

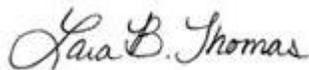
In re: Bruce Jones (Case #2016-LIC-005). Chair Davidson made a motion to deny the CGE License Application for Bruce Jones. The motion was seconded by Commissioner Manoranjan and approved.

In re: Philip Bowsher (Case #2016-LIC-011). Chair Davidson made a motion to deny the CGE License Application for Philip Bowsher. The motion was seconded by Commissioner Lucas and approved.

In re: LaShawn Westley (Case #2016-LIC-013). Chair Davidson made a motion to deny the CGE License Application for LaShawn Westley. The motion was seconded by Commissioner Lucas and approved.

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

Signed,



Lara B. Thomas  
Commission Secretary

Approved: September 21, 2016