

OHIO CASINO CONTROL COMMISSION

RESOLUTION 2015-27

CONSIDERATION OF JCM AMERICAN CORPORATION AND JAPAN CASH MACHINE CO, LTD.'S APPLICATIONS TO RENEW THEIR GAMING-RELATED VENDOR LICENSES

WHEREAS, Article XV, Section 6(C)(4) of the Ohio Constitution created the Ohio Casino Control Commission ("Commission") to ensure the integrity of casino gaming by, among other things, licensing and regulating all gaming authorized by Article XV, Section 6(C) of the Ohio Constitution;

WHEREAS, R.C. 3772.09(A) prohibits, among others, any gaming-related vendor or key employee from conducting or participating in conducting casino gaming without first being licensed by the Commission;

WHEREAS, R.C. 3772.15(B) and Ohio Adm. Code 3772-6-02(D) and 3772-5-02(D) require that gaming-related vendor and key-employee licensees undergo complete investigations at least once every three years to ensure continued eligibility for licensure;

WHEREAS, R.C. 3772.10(B) requires, among others, gaming-related vendors and key employees seeking licensure under R.C. Chapter 3772 to establish their suitability by clear and convincing evidence;

WHEREAS, R.C. 3772.12(A) and Ohio Adm. Code 3772-6-02(A) require any gaming-related vendor seeking licensure to submit, under oath, a Gaming-Related Vendor License Application ("Vendor Application");

WHEREAS, R.C. 3772.121 and Ohio Adm. Code Chapter 3772-6 authorize the Commission to issue gaming-related vendor licenses to applicants, including renewal applicants, after the Commission determines that the applicants are eligible for licensure and have paid all applicable fees;

WHEREAS, a gaming-related vendor license applicant is eligible for renewal upon meeting the following criteria:

- (A) Submission of a true and complete Vendor Application, as required by R.C. 3772.10(C) and 3772.12(A) and Ohio Adm. Code 3772-6-02(A);
- (B) Payment of the nonrefundable renewal application fee of \$10,000.00, as required by R.C. 3772.15(A) and 3772.17(D) and Ohio Adm. Code 3772-6-03(A), and all fees necessary to cover the costs of the background investigation in excess of the application fee set forth by Ohio Adm. Code 3772-6-03(A), if any, as permitted by Ohio Adm. Code 3772-6-03(B);

- (C) Submission, on a form provided by the Commission, of two sets of the applicant's fingerprints, as required by R.C. 3772.121(A)(3), if applicable;
- (D) Reimbursement of the costs for the criminal records check, as required by R.C. 3772.07 and 3772.121(A)(2), if applicable;
- (E) Not having been convicted of or pled guilty or no contest to a disqualifying offense, as defined by R.C. 3772.07 and required by R.C. 3772.07 and 3772.10(C)(1); and
- (F) Otherwise is suitable for licensure, as required by R.C. 3772.10(B) and (C);

WHEREAS, R.C. 3772.03(D)(5) mandates that the Commission adopt rules prescribing the minimum amount of insurance that must be maintained by, among others, gaming-related vendors;

WHEREAS, Ohio Adm. Code 3772-7-01(A) requires, among others, gaming-related vendor licensees to obtain and maintain the following types of insurance in minimum amounts determined by the Commission:

- (A) Liability;
- (B) Casualty;
- (C) Fire;
- (D) Theft;
- (E) Worker's compensation; and
- (F) Any other type of insurance the Commission deems necessary to ensure the licensee is adequately insured;

WHEREAS, on or about May 15, 2015, JCM American Corporation ("JCM") and Japan Cash Machine Co., Ltd. ("Japan Cash Machine") submitted Vendor Applications in accordance with R.C. 3772.12(A) and Ohio Adm. Code 3772-6-02(A);

WHEREAS, JCM and Japan Cash Machine paid the nonrefundable application fees, as required by R.C. 3772.15(A) and 3772.17(D) and Ohio Adm. Code 3772-6-03(A);

WHEREAS, JCM and Japan Cash Machine submitted information and materials necessary to demonstrate that they have obtained and maintain all of the requisite types of insurance and the amounts of each type, as required by R.C.

3772.03(D)(5) and Ohio Adm. Code 3772-7-01(A) and as reflected in the Commission's adoption of Resolution 2012-64;

WHEREAS, Johto Investment and Development, Inc. ("Johto") submitted information and documentation as a holding company of JCM and Japan Cash Machine, as required by R.C. 3772.11(B);

WHEREAS, R.C. 3772.13(B) and Ohio Adm. Code 3772-5-02(A) require any gaming-related vendor key employee seeking licensure to submit a Key Employee License Application ("Key Employee Application");

WHEREAS, R.C. 3772.13 and Ohio Adm. Code Chapter 3772-5 authorize the Commission to issue key-employee licenses to applicants, including renewal applicants, after the Commission determines that the applicants are eligible for licensure and have paid all applicable fees;

WHEREAS, a key-employee license applicant is eligible for renewal upon meeting the following criteria:

- (A) Being at least 21 years of age, as required by R.C. 3772.13(D);
- (B) Submission of a true and complete Key Employee Application, as required by R.C. 3772.10(C) and 3772.13(E) and Ohio Adm. Code 3772-5-02(A);
- (C) Submission, on a form provided by the Commission, of two sets of the applicant's fingerprints and a photograph, as required by R.C. 3772.13(F);
- (D) Payment of the nonrefundable renewal application fee of \$2,000.00, as required by R.C. 3772.13(F), 3772.15(A), and 3772.17(E) and Ohio Adm. Code 3772-5-03(A), and all fees necessary to cover the cost of the background investigation in excess of the application fee set forth by Ohio Adm. Code 3772-5-03(A), if any, as permitted by Ohio Adm. Code 3772-5-03(B);
- (E) Reimbursement of the costs for the background check, including the criminal records check, as required by R.C. 3772.07 and 3772.13(F);
- (F) Not having been convicted of or pled guilty or no contest to a disqualifying offense, as defined by R.C. 3772.07 and required by R.C. 3772.07 and 3772.10(C)(1); and
- (G) Otherwise is suitable for licensure, as required by R.C. 3772.10(B) and (C);

WHEREAS, the owners, officers, directors, and key employees of JCM, Japan Cash Machine, and Johto, who appear on the attached list marked Exhibit A, ("Key

Employees”) submitted Key Employee Applications, in accordance with R.C. 3772.13(C) and (E) and Ohio Adm. Code 3772-5-02(A), to renew their licenses;

WHEREAS, the Key Employees’ nonrefundable application fees have been paid, as required by R.C. 3772.13(F) and 3772.17(E) and Ohio Adm. Code 3772-5-03(A), and the Commission has been reimbursed for the costs of the criminal records checks, in accordance with and as required by R.C. 3772.07 and 3772.13(F);

WHEREAS, the Commission’s Division of Licensing and Investigations reviewed the Vendor and Key Employee Applications and other materials and information and conducted thorough suitability investigations of JCM, Japan Cash Machine, Johto, and their Key Employees;

WHEREAS, the Division of Licensing and Investigations has filed a report, dated July 1, 2015, captioned *Investigative Report on the Applications of JCM American Corporation and Japan Cash Machine Co., Ltd. for Gaming-Related Vendor Licenses* (“Licensing Report”);

WHEREAS, the Licensing Report concludes that based upon the investigation, no derogatory or other negative information that adversely impacts upon the suitability of JCM, Japan Cash Machine, Johto, or their Key Employees was uncovered and that JCM, Japan Cash Machine, and the Key Employees are eligible, qualified, and suitable to be approved for renewal licenses;

WHEREAS, the Commission’s Division of Licensing and Investigations recommends that the Commission renew JCM and Japan Cash Machine’s gaming-related vendor licenses, subject to the following conditions:

- (A) JCM, Japan Cash Machine, and Johto shall report any changes in their management, ownership, or stockholdings to the Commission, in accordance with Ohio Adm. Code 3772-6-04;
- (B) JCM, Japan Cash Machine, and Johto shall report any loans, debt incurred, or any other significant financial matters to the Commission, in accordance with Ohio Adm. Code 3772-6-04;
- (C) JCM and Japan Cash Machine shall pay all fees required by the Commission, including the following:
 - (1) The cost of the background investigation that exceeded the application fee set forth by Ohio Adm. Code 3772-6-03(A), as required by R.C. 3772.15(A) and 3772.17(D) and permitted by Ohio Adm. Code 3772-6-03(B), if any; and
 - (2) The nonrefundable license fees of \$15,000.00, as required by R.C. 3772.121(A)(2) and 3772.17(D) and Ohio Adm. Code 3772-6-03(C); and

- (D) JCM and Japan Cash Machine's Compliance Committee shall notify the Commission's Executive Director no later than 30 days from when the Compliance Committee conducts any due diligence efforts, takes any action, or makes any recommendations concerning current or future business,

and that the Commission renew the Key Employees' key-employee licenses; and

WHEREAS, the Commission has reviewed the Licensing Report and considered the matter at its public meeting on July 15, 2015.

NOW, THEREFORE, BE IT RESOLVED, by the Commission that JCM and Japan Cash Machine's Vendor Applications are **APPROVED** and their gaming-related vendor licenses are **RENEWED** for a period not to exceed three years, effective upon expiration of the previous license, subject to continued compliance with R.C. Chapter 3772 and the rules adopted thereunder and the following conditions:

- (A) JCM, Japan Cash Machine, and Johto shall report any changes in their management, ownership, or stockholdings to the Commission, in accordance with Ohio Adm. Code 3772-6-04;
- (B) JCM, Japan Cash Machine, and Johto shall report any loans, debt incurred, or any other significant financial matters to the Commission, in accordance with Ohio Adm. Code 3772-6-04;
- (C) JCM and Japan Cash Machine shall pay all fees required by the Commission, including the following:
 - (1) The cost of the background investigation that exceeded the application fee set forth by Ohio Adm. Code 3772-6-03(A), as required by R.C. 3772.15(A) and 3772.17(D) and permitted by Ohio Adm. Code 3772-6-03(B), if any; and
 - (2) The nonrefundable license fees of \$15,000.00, as required by R.C. 3772.121(A)(2) and 3772.17(D) and Ohio Adm. Code 3772-6-03(C); and
- (D) JCM and Japan Cash Machine's Compliance Committee shall notify the Commission's Executive Director no later than 30 days from when the Compliance Committee conducts any due diligence efforts, takes any action, or makes any recommendations concerning current or future business,

BE IT FURTHER RESOLVED, that the Key Employees' Applications are **APPROVED** and their key-employee licenses are **RENEWED** for a period not to exceed three years, effective upon expiration of their previous licenses, subject to continued compliance with R.C. Chapter 3772 and the rules adopted thereunder, including payment of the following fees:

- (A) The cost of any key-employee background investigation that exceeded the application fee set forth by Ohio Adm. Code 3772-5-03(A), as required by R.C. 3772.15(A) and 3772.17(E) and permitted by Ohio Adm. Code 3772-5-03(B); and
- (B) A nonrefundable license fee of \$500.00 per key-employee license, as required by R.C. 3772.17(E) and Ohio Adm. Code 3772-5-03(C).

BE IT FURTHER RESOLVED, that Resolution 2015-27 does not in any way affect, negate, or otherwise absolve JCM, Japan Cash Machine, Johto, or their Key Employees from their duties to update information in accordance with Ohio Adm. Code 3772-6-04 and Ohio Adm. Code 3772-5-04, as applicable.

BE IT FURTHER RESOLVED, that Resolution 2015-27 does not restrict or limit the Commission's future exercise of authority and discretion with respect to imposing additional conditions or taking further action upon JCM, Japan Cash Machine, Johto, or their Key Employees under R.C. Chapter 3772 and the rules adopted thereunder.

Adopted: July 15, 2015

Exhibit A
Resolution 2015-27

1. John Garner
2. Kip Haverman
3. Mark Henderson
4. Akiyoshi Isoi
5. Hikaru Izawa
6. Koichiro Kamihigashi
7. Yojiro Kamihigashi
8. Hisashi Maki
9. Hideji Naruo