

3772-29-01 Approval for debt transactions.

~~(A) In seeking approval for a debt transaction under Definitions: For the purposes of this rule the following definitions shall apply:~~

~~(1) "Casino facility" has the same meaning as set forth in section 3772.28 of 3772-01 of the Revised Code, the casino:~~

~~(2) "Casino operator must submit a written request at least thirty days in advance of any consideration at a meeting held under" has the same meaning as set forth in section 3772.02 3772-01 of the Revised Code.~~

~~(3) "Commission" means the Ohio casino control commission or its designee, as allowed by section 3722.033 of the Revised Code.~~

~~(4) "Debt transaction" has the same meaning as set forth in section 3772.28 of the Revised Code.~~

~~(B)~~(A) "Debt" means, but is not limited to, any bond, loan, mortgage, trust, deed (when committed in any form as collateral), note, debenture, subordination, guaranty, letter of credit, security agreement, pledge, chattel mortgage, or any other form of indebtedness. The request must include the following:

~~(C) A casino operator shall not enter into a debt transaction without the approval of the commission. The casino operator shall submit a request, in writing, for approval of a debt transaction. The procedure shall be as follows:~~

~~(1) Unless otherwise waived or modified by the commission, a casino operator shall submit all required information and documentation, as outlined in this rule, at least thirty days before the request for approval of a debt transaction may appear on the commission meeting agenda.~~

~~(2) A representative of the casino operator shall be present at the commission meeting in which the request appears on the agenda to answer any questions posed by the commission.~~

~~(3) The request for approval of a debt transaction shall contain, at a minimum, the following information and supporting documentation:~~

(1) The names and addresses of all parties to the debt transaction;

(2) The amount of the funds involved;

(3) The type of debt transaction;

(4) The source of the funds to be obtained;

(5) All sources of collateral, including but not limited to all assets pledged by the casino operator as security for the debt transaction;

(6) The purpose of the debt transaction;

- (7) The terms of the debt transaction;
- (8) All filings and documents that must be submitted to any regulatory agency in association with the debt transaction;
- (9) An executive summary of the debt transaction, including but not limited to:
 - (a) All material terms of the debt transaction;
 - (b) An explanation of the projected debt to equity ratio after entering into the proposed debt transaction;
 - ~~(c)~~ An explanation of the projected annual debt service after entering into the proposed debt transaction as compared to current annual debt service;
 - ~~(e)~~(d) An explanation of the terms and procedures in case of default by the casino operator;
 - ~~(d)~~(e) An explanation of the process used to select the persons involved in the debt transaction;
 - ~~(e)~~(f) A list of prior debt transactions between the casino operator and the persons involved in the debt transaction; and
 - ~~(f)~~(g) An explanation and supporting documentation of the due diligence conducted to ensure that the person the casino operator enters into a debt transaction with has the appropriate reputation, experience, and financial security, ~~including supporting documentation, as required by paragraph (C) of this rule;~~
- (a) All documents that memorialize the terms, conditions, and ~~or~~ covenants of the debt transaction, including any supporting documents referenced therein;
- (b) A certification that the casino operator holds a direct or indirect ownership or leasehold interest in the casino facility;
- (c) Any other information deemed necessary by commission.

~~(C) The casino operator shall perform due diligence to ensure that each person the casino operator enters into a debt transaction with has the appropriate reputation, experience, and financial security.~~

~~(D)~~(C) A casino operator should clearly identify those portions of the request for approval of debt transaction that it deems to be confidential, proprietary commercial information, or trade secrets. The request for approval of debt transaction ~~will~~shall be open to public inspection to the extent permitted by sections ~~149.43149.43~~ and 3772.16 of the Revised Code.

~~(E) Commission approval of a debt transaction is a separate and distinct process from licensure, as generally set forth in sections 3772.07 to 3772.112 of the Revised Code, and the commission's~~

~~approval of a debt transaction does not ensure that a casino operator's initial or renewal license will be approved.~~

~~(F) If the commission denies approval of a debt transaction, the casino operator may not enter into that debt transaction.~~

~~(G)(D)~~ Upon approval of a debt transaction, the casino operator will~~shall~~ report to the commission, on a quarterly basis, compliance with the payment terms of the debt transaction. ~~previously approved under this rule.~~ Further, any default, breach, or acceleration under the terms, conditions, or covenants of a debt transaction ~~must previously approved under this rule shall~~ be reported immediately to the commission. In the event of a default, any enforcement of a security interest pursuant to the terms and conditions of a debt transaction ~~must previously approved by the commission shall~~ be reported immediately to the commission by the person enforcing the security interest, the casino operator, and, if applicable, the entity managing the casino facility at the time of enforcement of the security interest.

~~(H)(E)~~ The casino operator will~~shall~~ provide the commission copies of any proposed amendments to a debt transaction. ~~previously approved under this rule.~~ Any material change, as determined by the commission, to the ~~previously approved~~ debt transaction ~~is~~shall be subject to further commission approval.

~~(H)(F)~~ Within fifteen days after closing of ~~at~~the debt transaction, and thereafter if requested by the commission, the casino operator must~~shall~~ file with the commission the list of the initial lenders ~~and~~/or noteholders as applicable.

~~(H)(G)~~ The commission may further request information not specifically requested in this rule or in addition to that which is provided in response to this rule. The casino operator will~~shall~~ provide all information, documents, certifications, and materials at the casino operator's sole expense and cost.