

**BEFORE THE CASINO CONTROL COMMISSION
STATE OF OHIO**

IN THE MATTER OF	:	
	:	Case No. 2017-REG-001
JACK Entertainment, LLC and	:	2017-REG-002
JACK Cleveland Casino, LLC	:	
UNDERAGE PERSONS AND CMP ACCESS	:	
OPERATIONS VIOLATIONS	:	

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between JACK Entertainment, LLC (“JACK”), JACK Cleveland Casino, LLC (“JCL”), and the Ohio Casino Control Commission (“Commission”) for the purpose of resolving Commission Case Nos. 2017-REG-001 and 2017-REG-002. Together, JACK, JCL, and the Commission are referred to as “the parties.”

WHEREAS, the Commission is responsible for the administration and enforcement of R.C. Chapter 3772 and the rules adopted thereunder, which regulate the conduct of casino gaming in the State of Ohio;

WHEREAS, JACK is a Management Company Licensee that manages both the casino facilities owned by JCL and JACK Casino Cincinnati, LLC (“JCI”), located in Cleveland and Cincinnati, Ohio, respectively;

WHEREAS, JCL is a Casino Operator Licensee that owns and operates the JACK Cleveland Casino facility;

WHEREAS, the Commission, pursuant to its authority to regulate, investigate, and penalize casino operators and management companies, discovered violations of Ohio law and JCL’s and JCI’s Commission-approved internal controls during the course of normal daily operations and routine compliance audits of operations at those facilities;

WHEREAS, as a result of these violations, the Commission issued two Notices of Violation and Opportunity for Hearing (“Notices”), dated February 1, 2017, to JACK, one of which was also sent to JCL, pursuant to and in accordance with R.C. Chapters 119 and 3772 and Ohio Adm. Code Chapters 3772-21 and 3772-22;

WHEREAS, in response to the Notices, JACK submitted letters, both dated February 27, 2017, to the Commission wherein JACK and JCL acknowledged receipt of the Notices and timely requested a hearing pursuant to R.C. 119.07 and 3772.04;

WHEREAS, the Commission procedurally complied with R.C. Chapters 119 and 3772 and established jurisdiction over this matter; and

WHEREAS, Commission Case Nos. 2017-REG-001 and 2017-REG-002 have not yet been brought before the Commission for final adjudication, as required by R.C. Chapters 119 and 3772, and the parties enter this Agreement in lieu of issuance of final adjudicatory orders by the Commission.

NOW THEREFORE, in consideration of the mutual promises expressed herein, and with intent to be legally bound, the parties **AGREE** as follows:

1. JACK and JCL each make the following admissions:

- A. During JACK and JCL's daily operations and routine compliance audits of their operations, Commission staff discovered practices that violated Ohio law and JCL's and JCI's internal controls.
- B. As a result of these findings, the Commission issued the Notices (Exhibits A-1 and A-2), providing JACK and JCL with an opportunity for a hearing to contest the allegations contained therein.
- C. JACK submitted letters, dated February 27, 2017, (Exhibits B-1 and B-2) to the Commission wherein JACK acknowledged receipt of the Notices on behalf of both JACK and JCL and requested hearings on the allegations contained therein.
- D. The parties subsequently agreed to abstain from holding administrative hearings until after attempting to reach a settlement on the matters. (Exhibit C).
- E. JACK then submitted letters, on behalf of JACK and JCL, on March 13, 2017 and March 14, 2017, disputing the severity of the allegations contained in the Notices and requesting that the Commission reduce the administrative sanctions sought. (Exhibits D-1 and D-2).
- F. **Underage Person Violations**
 - i. From June 2016 to November 2016, JACK and JCL allowed at least thirteen instances to occur in which an individual under the age of twenty-one gained access to JACK Cleveland Casino, in violation of R.C. 3772.03, 3772.24, Ohio Adm. Code 3772-12-06, 3772-20-01(C)(4), and JCL's own Commission-approved internal controls.
 - ii. JACK and JCL's actions demonstrate that its security personnel were not adequately trained or did not adhere to training received with respect to

individuals under the age of twenty-one gaining access to JACK Cleveland Casino, in violation of Ohio Adm. Code 3772-10-03(C).

2. Additionally, JACK makes the following admissions:

A. Casino Marketplace (“CMP”) Access Violations

- i. JACK has allowed improper access to CMP in violation of Ohio Adm. Code 3772-10-03, 3772-11-31, and JCL’s and JCI’s own Commission-approved internal controls.
 - ii. JACK did not give JCL’s or JCI’s Information Technology Department required system authority, in violation of Ohio Adm. Code 3772-10-03, 3772-10-15, and JCL’s and JCI’s Commission-approved internal controls.
 - iii. JACK failed to clearly articulate or otherwise demonstrate its efforts to cooperate with the Commission’s ongoing audit, in violation of Ohio Adm. Code 3772-22-01.
 - iv. JACK’s actions suggest that its personnel were not adequately trained or did not adhere to training received with respect to proper CMP access, in violation of Ohio Adm. Code 3772-10-03(C).
3. Pursuant to this Agreement, Commission Case Nos. 2017-REG-001 and 2017-REG-002 are **ADMINISTRATIVELY CLOSED**. Accordingly, the Commission makes no specific findings regarding the allegations described in the Notice.
4. The Admissions contained in Paragraphs 1 and 2 of this Agreement by themselves will not be a basis for future action against JACK or JCL, except as set forth in Paragraph 5 of this Agreement. The Commission makes no further statements or representations with respect to the admissions referenced herein or JACK’s or JCL’s compliance with Ohio law.
5. Nothing in this Agreement precludes the Commission from investigating and prosecuting JACK or JCL for violations of or non-compliance with this Agreement or for separate violations of or non-compliance with R.C. Chapter 3772 or the rules adopted thereunder, or limits the Commission’s exercise of authority and discretion with respect to imposing additional conditions upon or taking further action against JACK or JCL under R.C. Chapter 3772 and the rules adopted thereunder for matters not contemplated herein.
6. JACK and JCL together will pay a monetary fine in the amount of \$200,000.00.

7. JACK, in addition to its initiatives described in Paragraph 8, will engage, within forty-five days of the effective date of this agreement, an independent, third party consulting or auditing firm (“External Examiner”) to complete a special compliance audit of all CMP access. JACK and the external examiner shall submit a proposed engagement plan for approval by the Commission’s Executive Director, within ten days of the date of engagement.
8. JACK has provided JCI’s and JCL’s on-site property IT Directors all required system authority, pursuant to Ohio Adm. Code 3772-10-03, 3772-10-15, and JCL and JCI’s Commission-approved internal controls.
9. JACK and JCL will ensure that its personnel are adequately trained—and that its personnel adhere to such training—of all laws, policies, procedures, and Commission-approved internal controls relevant to each employee’s individual function, as it relates to the admissions in both Paragraphs 1 and 2, as described and required by Ohio Adm. Code 3772-10-03(C). As to Paragraph 1, JCL has already created a new position and hired a full-time Security Training Instructor, effective December 23, 2016. This position’s responsibility is to develop and present regular training to all JCL security employees. JCL Security Officers completed such training by mid-April 2017.
10. JCL will bolster its advertising to its community that only individuals twenty-one years of age or older are permitted to enter an Ohio casino facility or participate in casino gaming. The methods chosen by JCL shall be submitted to the Executive Director and reviewed and approved in accordance with Ohio Adm. Code 3772-13-02. The methods shall include, but are not necessarily limited to, internal and external signage at the JCL facility.
11. JCL shall continue to communicate to its personnel that only individuals twenty-one years of age or older are permitted to enter an Ohio casino facility or participate in casino gaming. To date, JCL has done so by posting educational materials and providing additional training to its personnel.
12. JCL will appear before the Commission to describe the steps it has taken to ensure compliance with R.C. 3772.03, 3772.24, Ohio Adm. Code 3772-12-06, 3772-20-01(C)(4), and JCL’s own Commission-approved internal controls.
13. Upon the date of the last signature of all requisite parties and individuals, this Agreement is effective and binding upon the parties and any and all successors, assigns, subsidiaries, agents, employees, or representatives of the parties or any other affiliates.
14. The parties have read and understand this Agreement and have entered into the same knowingly, voluntarily, and with the opportunity to gain advice of counsel.

15. This Agreement is entered into by the parties and may be executed in counterparts or facsimiles, each of which shall be deemed an original and all of which shall constitute the same instrument.
16. This Agreement (including all attached exhibits) contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and understanding, oral or written, with respect to such matters. This Agreement may be modified only by a further writing that is duly executed by the parties.
17. If any provision in this Agreement is found or held to be invalid, or unenforceable, the meaning of said provision will be construed to the extent feasible, so as to render the provision enforceable, and if no feasible interpretation shall save such provision, it will be severed from the remainder of this Agreement. The remainder of this Agreement shall remain in full force and effect unless the severed provision is essential and material to the rights or benefits received by any of the parties.
18. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio and the exclusive venue for any cause of action arising herefrom shall be a court of competent jurisdiction in the State of Ohio, County of Franklin.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties to this **SETTLEMENT AGREEMENT** have either executed it or caused it to be executed by their duly authorized representatives:

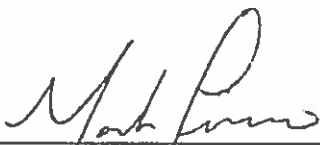
Accepted by:



JACK Entertainment, LLC
By: Matthew Cullen, CEO

8/11/17

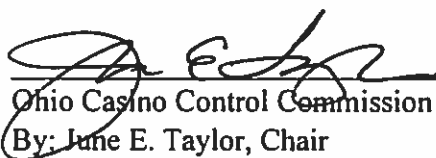
Date



JACK Cleveland Casino, LLC
By: Mark Tricano, General Manager

8/10/17

Date



Ohio Casino Control Commission
By: June E. Taylor, Chair

8/14/2017

Date