

OHIO CASINO CONTROL COMMISSION
MEETING MINUTES
10:00 A.M. May 9, 2012
RHODES TOWER, LOBBY HEARING ROOM
30 W. BROAD STREET
COLUMBUS, OHIO 43215

The regular meeting of the Ohio Casino Control Commission was called to order at 10:15 a.m. by Chair Jo Ann Davidson. Commissioners McKinley Brown, Ranjan Manoranjan, Peter Silverman, John Steinhauer, and June Taylor were also in attendance. Commissioner Martin Hoke had an excused absence. The minutes of the May 2, 2012 meeting were approved following a motion by Commissioner Manoranjan, seconded by Commissioner Brown.

The Executive Director's report was moved to the end of the meeting agenda.

Commissioner Taylor made a motion that Commission Resolution 2012-54 be brought before the Commission, adopting the following Administrative Rules which have completed the rule review process:

- 3772-4-10 Standards for contractors of casino operators.
- 3772-4-11 Computation of gross casino revenue; assisting the tax commissioner.
- 3772-9-08 Movement of electronic gaming equipment within a casino facility.
- 3772-9-09 Removal of electronic gaming equipment from the casino facility's gaming floor.
- 3772-9-10 Electronic gaming equipment maintenance, repair or other servicing standards.
- 3772-9-11 Remote systems access.
- 3772-10-08 Slot machine meter readings and related statistical reports.
- 3772-10-23 Credit.
- 3772-10-25 Unclaimed winnings.
- 3772-11-01 Definitions.
- 3772-11-02 Table game internal controls.
- 3772-11-03 Approval of table games.
- 3772-11-04 Prohibition on table game play by casino operator employees and gaming-related vendors.
- 3772-11-05 Purchases from authorized gaming-related vendors.
- 3772-11-06 Shipment of table games and table game mechanisms.
- 3772-11-07 Receipt of gaming chips from manufacturer.
- 3772-11-08 Compliance with law; prohibited activities.
- 3772-11-09 Publication of rules and payoff schedules for all permitted games.
- 3772-11-10 Waiver of requirements.
- 3772-11-11 Chip specifications.

- 3772-11-12 Submission of chips for review and approval.
- 3772-11-13 Primary, secondary, and reserve sets of gaming chips.
- 3772-11-14 Exchange of value chips or non-value chips.
- 3772-11-15 Inventory of chips.
- 3772-11-16 Destruction of chips.
- 3772-11-17 Counterfeit chips.
- 3772-11-18 Tournament chips and tournaments.
- 3772-11-19 Handling chips.
- 3772-11-20 Dice specifications.
- 3772-11-21 Dice; receipt, storage, inspections, and removal from use.
- 3772-11-22 Table game and poker cards; specifications.
- 3772-11-23 Table game cards; receipt, storage, inspections, and removal from use.
- 3772-11-24 Mandatory table game count procedure.
- 3772-11-25 Handling of cash at gaming tables.
- 3772-11-26 Table inventory.
- 3772-11-27 Opening of gaming tables.
- 3772-11-28 Closing of gaming tables.
- 3772-11-29 Payout for progressive table games.
- 3772-11-30 Procedures for manually filling chips from cage to tables; form procedures.
- 3772-11-31 Procedures for automated filling of chips.
- 3772-11-32 Procedures for recording manual table credits.
- 3772-11-33 Automated table credits.
- 3772-11-34 Table game layouts.
- 3772-11-35 Required personnel for specific table games.
- 3772-11-36 Instructional table games offered to public.
- 3772-11-37 Minimum and maximum table game wagers.
- 3772-11-38 Dealer and boxperson hand clearing.
- 3772-11-39 Table games jackpot; employee pocketbooks.
- 3772-11-40 Poker room; general.
- 3772-11-41 Poker room; supervision.
- 3772-11-42 Poker room; banks and transactions.
- 3772-11-43 Procedures for monitoring and reviewing game operations.
- 3772-13-01 Definitions.
- 3772-13-02 Advertising; promotion of responsible gaming.
- 3772-13-03 Promotional activities.

The motion was seconded by Commissioner Brown and approved.

Aleah Page, OCCC Staff, explained the Institutional Investor Waiver request before the Commission. Twenty investors holding between one and ten percent in Penn National Gaming, Inc. have requested exemption from the suitability requirements as allowed under Ohio law. Commissioner Taylor moved that Commission Resolution 2012-55, authorizing that waiver, be brought before the Commission. The motion was seconded by Commissioner Manoranjan, and approved.

Executive Director Schuler reviewed the standing of Penn National Gaming and Toledo Gaming Ventures, LLC, with regard to their operator license application. Specific questions posed by the Commissioners at the May 2 meeting, were answered in a document submitted into the record. Mr. Schuler stated that proof of insurance coverage, a receipt showing fees have been paid, and an attestation statement from KPMG LLP as to meeting all of the financial requirements, have been received. Background investigations of the applicant have concluded they are suitable for licensing in Ohio. Executive Director Schuler recommended to the Commission that an operator's license be granted subject to the conditions included in the authorizing Resolution. An update to the corporate financial status of Penn National was presented to the Commission by Mr. Tim Wilmott, CEO, and Richard St. Jean, General Manager of Hollywood Casino Toledo. As required by statute, Mr. Wilmott reported the recent purchase by Penn, of a Harrah's Inc. property in St. Louis. Spectrum gaming provided a letter stating the property purchase does not impact the financial stability of the company. Commissioner Silverman moved that Commission Resolution 2012-56, licensing Toledo Gaming Ventures LLC as a casino operator for three years, be brought before the Commission. Commissioner Steinhauer seconded the motion. A roll call vote was taken and the Resolution was approved, 6-0.

The consideration of licenses for seven gaming-related vendors was presented to the Commission by Chris Storcella, OCCC Staff. The first vendor, Gaming Partners International (GPI), was represented by Patrick Brewster, Account Executive. Commissioner Taylor moved that Commission Resolution 2012-45, approving a gaming-related vendor license for GPI, subject to four conditions, and approving the licensing of thirteen key employees of GPI, be brought before the Commission. The motion was seconded by Commissioner Brown and approved. In response to a question from Commissioner Silverman regarding OCCC monitoring of conditions established in licenses, Mr. Storcella said the staff will be tracking compliance with stated requirements and could provide Commissioners with a periodic review of that information.

Mr. Storcella explained that many of the vendors seeking licensure are being subjected to conditions within those licenses. Most of these conditions require compliance plans for a company and/or specify additional record keeping requirements. These conditions have been detailed in letters sent to the vendors that require written confirmation. Although not required by statute, the vendor's file will show acceptance of the conditions.

A second vendor, the United States Playing Card Company (USPC), was represented by Stephanie Krummert, Manager of Compliance. Commissioner Manoranjan moved Commission Resolution 2012-46, approving a gaming-related vendor license for USPC, subject to certain conditions, and licensing twelve key employees. The motion was seconded by Commissioner Brown and approved.

Aristocrat Technologies Inc. (ATI), was represented by Kathleen Worley, Director of Regulatory compliance. After a question from Commissioner Silverman about the actions of ATI's corporate compliance committee, Commissioner Taylor moved that Commission Resolution 2012-47 approving a gaming-related vendor license for ATI, subject to certain conditions, and licensing fourteen key employees, be brought before the Commission. The motion was seconded by Commissioner Brown and approved.

A fourth vendor application, for TCS John Huxley America Inc. and TCS John Huxley Europe Ltd. , was presented to the Commission by Mr. Storcella. It was noted that the Resolution granting a license specifies additional fee payment because of the two corporate entities represented, and that a

condition of the license is the implementation of a compliance plan within three months of the licensing date. Commissioner Brown moved that Commission Resolution 2012-48, approving a gaming-related vendor license for TCS Huxley America and TCS Huxley Europe, and licensing eight key employees, be brought before the Commission. The motion was seconded by Commissioner Manoranjan and approved.

NRT Technology Corporation was represented by Jim Grundy, CFO. He responded to Commission questions regarding a tax litigation issue in Canada. Commissioner Taylor moved that Commission Resolution 2012-49, granting a gaming-related vendor license to NRT, with certain conditions, and licensing eight key employees, be brought before the Commission. The motion was seconded by Commissioner Brown and approved.

Mr. Storcella then requested provisional licenses be granted for seven key employees of gaming-related vendor applicant Tech Art, Inc. Tech Art made application for a license, but the investigation of their key employees is not yet complete. Granting the provisional licenses will then allow Tech Art to be licensed as a vendor prior to the opening of the Cleveland and Toledo casinos. A card reader manufactured by Tech Art, has been used exclusively in the training of dealers at both facilities. Provisional licenses would be for a period of three months and the permanent license applications for these individuals will be brought before the Commission when the investigations are complete. Tech Art was represented by Robert Del Rossi, Director of Sales and Marketing. Commissioner Silverman moved that Commission Resolution 2012-50, granting provisional licenses to seven key employees of Tech Art, Inc., be brought before the Commission. The motion was seconded by Commissioner Brown and approved. Commissioner Taylor moved that Commission Resolution 2012-51, granting a gaming-related vendor license, subject to certain conditions, to Tech Art Inc., be brought before the Commission. The motion was seconded by Commissioner Brown and approved.

A similar situation for gaming-related vendor Multimedia Games, Inc., was explained by Mr. Storcella and two representatives of Multimedia, Ian Nickey and Jerry Smith. Commissioner Taylor moved that Commission Resolution 2012-52, granting provisional licenses to thirteen key employees of Multimedia Games Inc., be brought before the Commission. The motion was seconded by Commissioner Manoranjan and approved. Chair Davidson moved that Commission Resolution 2012-53, granting a gaming-related vendor license, subject to certain conditions, to Multimedia Games, Inc., be brought before the Commission. The motion was seconded by Commissioner Silverman and approved.

Mr. Storcella noted that the OCCC has now licensed twelve gaming-related vendors. Seven applications are pending.

The licenses for four key employees, one with Rock Ohio Caesars Cleveland, and three with Horseshoe Cleveland LLC, were considered by the Commission. The investigations of these employees were completed by the OCCC. OCCC Staff recommends granting the licenses but with a condition on the license of Alison Fogarty that she be required to file annual financial statements. Chair Davidson moved to amend proposed Commission Resolution 2012-57, as follows: In the second line of the fifth paragraph on page two, after "Exhibit A", insert "inclusive of conditions". On the attachment marked "Exhibit A", after "Alison Fogarty", insert "must file a net worth statement on May 1st of each year during the term of licensure."

The motion to amend was seconded by Commissioner Steinhauer and approved. A motion to approve the Resolution as amended was offered by Commissioner Taylor, seconded by Commissioner Manoranjan, and approved.

Casino gaming employee licenses were presented for consideration by the Commission. Commissioner Silverman moved that Commission Resolution 2012-58, approving one hundred-fifty individual gaming licenses be brought before the Commission. Seconded by Commissioner Brown, the Resolution was approved. Chris Storcella, OCCC Staff, reported that 1994 gaming employee licenses have been issued to date, 715 for employment at the Toledo casino and 1279 for Cleveland. Of the total applications received, some are still pending and some are beginning the appeal process, having been denied. John Barron, OCCC Staff, reviewed the process by which license denial is appealed. For a statutory denial there is no discretion, but an applicant denied for other reasons can request a hearing before a hearing examiner. The examiner then issues a recommendation on disposition of the license and that recommendation is sent to the Commission for a final decision. Commissioner Steinhauer requested that Commission members be informed when a hearing has been requested.

Executive Director Schuler gave his report to the Commission. The controlled demonstration for Horseshoe Casino Cleveland will occur on May 10 from 3 to 11 p.m. It is an opportunity for employees to work under real conditions and for OCCC to observe and review all activity at the casino to see that guidelines and regulations are being followed. During the demonstration a full count process will be completed at the end of each shift and the following morning, casino staff will do an assessment based on scoring that OCCC has completed during the demonstration. Director Schuler will share more details of the official May 14 opening as it becomes available.

Chair Davidson noted that another meeting of the Commission will be required before the end of the month to accommodate additional vendor and employee licensing and other business. May 23rd and June 20th were set as the next two meeting dates.

There being no further business to come before the Commission, the meeting was adjourned at 12:35 p.m.

Signed,
Katherine L. Kelly
Commission Clerk

Approved: May 23, 2012