

CASINO CONTROL COMMISSION
MEETING MINUTES
10:00 A.M. – June 19, 2013
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 10:20 a.m. by Chair Jo Ann Davidson. Commissioners McKinley Brown, Will Lucas, Ranjan Manoranjan, John Steinhauer, and June Taylor were also in attendance. Commissioner Martin Hoke had an excused absence. Chair Davidson welcomed newly appointed Commission member Will Lucas of Toledo. The minutes of the May 15, 2013 meeting were approved following a motion by Commissioner Taylor, seconded by Commissioner Brown.

Executive Director Matt Schuler introduced OCCC staff to provide updates to the Commission. David Acosta, Director of Licensing, reported a total of 5,827 gaming employee licenses issued to date. License renewal regulations are being developed, and OCCC casino office managers are now able to accept license applications without assistance from the Columbus office. Detailed employment information for the four casinos is being collected that will break down employee assignments, shifts, etc.

Patrick Martin, Director of Regulatory Compliance, told the Commission that a master audit script is now in place and being followed at each of the casinos. The information collected during the audits is in addition to the information collected by the individual casinos.

Karen Huey, Director of Enforcement, reported that gaming agents in Cleveland had participated with other law enforcement agencies to take action on an illegal casino gaming establishment in Medina. The action was notable as the first application of R.C. 3772.99 regarding operation of an illegal casino. In addition, several individuals were indicted in Hamilton County for gaming offenses in the Cincinnati casino.

Laura Clemens, Director of Government Affairs and Problem Gambling Program Coordinator, said that as of June 2013, 419 applications have been accepted for the Voluntary Exclusion Program. This month also marked the first request to be removed from the program, the individual having reached the end of the one-year requested time commitment. Removal from the program is initiated by the individual as OCCC assumes continuation unless otherwise notified.

Ms. Clemens noted provisions in the state's biennial budget bill that could impact the OCCC. Two other provisions being considered by the legislature would give OCCC the authority to require facial recognition security programs in the casinos, and require anyone under 21 to be escorted by security to a restaurant within a casino.

Rick Anthony, Director of Operations told the Commission that fee revenue continues to exceed estimates and that next month's report will be a fiscal year-end review. Noah Browning, Fiscal Officer, explained that expenditures are slightly below estimates.

The next item on the agenda was the consideration of a debt transaction filed by Rock Ohio Caesars, LLC (ROC). Ryan Sullivan, Director of Business Development for ROC, presented the proposal. Being proposed was a \$570 million refinancing, the first piece of which was a \$535 million term loan to acquire the Higbee building in which the Horseshoe Cleveland Casino is located, and refinance a current loan. The additional \$35 million would be a revolving credit line. ROC's proposal stated that the refinancing would result in a significant savings in yearly debt payments and the elimination of rent payments. Mr. Sullivan told the Commission that the purchase of the building would allow ROC to construct a pedestrian bridge between the building and a parking garage. The purchase of the building and the walkway creation would allow the expansion of other gaming and non-gaming amenities over time. Mr. Sullivan said this would be important in attracting customers and increasing revenue.

John Barron, Deputy Executive Director and General Counsel, noted that determinations will need to be made if the building purchase is completed, as to the licensing of the building management company as a vendor, and whether the building ownership LLC being created meets the definition of a holding company or gaming related vendor under Ohio statute.

Chair Davidson made a motion to go into executive session pursuant to R.C. 121.22(G)(5) , stating the following: "The material terms of Rock Ohio Caesar, LLC's proposed debt transaction contain matters required to be kept confidential by state statute. In particular, discussion of these terms requires consideration of financial and trade secret information that is deemed confidential under R.C. 3772.16(A)(9) and (12) respectively." The motion was seconded by Commissioner Taylor and a roll call vote followed with six ayes and no nays. The Commission went into executive session at 11:20 a.m.

The regular meeting of the Commission resumed at 12:15 p.m.

Anna Marin Russell, OCCC Financial & Tax Investigation Counsel, reviewed for the Commission, the staff report prepared in conjunction with Spectrum Gaming Group regarding ROC's debt transaction request. OCCC staff recommended approval of the request, concluding that it does not negatively impact their financial suitability. Executive Director Schuler reviewed the proposed Resolution granting approval for the transaction, noting the twelve conditions of approval. Commissioner Taylor made a motion to adopt Commission Resolution 2013-15, approving the transaction. The motion was seconded by Commissioner Steinhauer and the Resolution was adopted.

Anthony Forchione, OCCC Director of Investigations, presented for consideration, the gaming related vendor license application of Spielo International USA and Spielo Canada. Initially filed in July 2012, the application had been incomplete. Subsequently, the necessary documents have been received and the background investigation completed. OCCC staff recommended

approval of the license. Commissioner Taylor made a motion to adopt Commission Resolution 2013-14, approving the gaming related vendor license for Spielo and key employee licenses for twenty-four individuals. The motion was seconded by Commissioner Manoranjan and the Resolution adopted.

The Commission then gave consideration to a request for withdrawal of a vendor license application by Paltronics, Inc. OCCC Deputy General Counsel, Matt Oyster, explained that Paltronics has paid all expenses associated with the investigation of their initial March, 2012 application and recommended approval of the withdrawal request. Commissioner Steinhauer made a motion to approve the withdrawal. The motion was seconded by Commissioner Manoranjan and approved.

Patrick Martin, Directory of Regulatory Compliance, presented amendments to Internal Controls being proposed by Horseshoe Casino Cleveland. Mr. Martin said the amendments have been reviewed within the casino, with the OCCC auditors, by Mr. Martin himself, the OCCC legal staff, and the Executive Director, and approval is recommended. Commissioner Lucas made a motion to approve the proposed amendments to internal controls. The motion was seconded by Commissioner Manoranjan and approved.

John Barron, OCCC Deputy Executive Director and General Counsel, reviewed the final orders for two individuals who chose not to request a hearing after receiving a Notice of Intent to Deny their gaming employee license application. OCCC staff recommended denial for each of these applicants. Chair Davidson made a motion to deny the gaming employee license of Donald Brown and Stephen Merriweather. The motion was seconded by Commissioner Brown and approved.

Chair Davidson presented former Commission member Peter Silverman with a Resolution honoring his work with the Commission during his two-year appointment.

There being no further business before the Commission, the meeting was adjourned at 11:45 a.m.

Signed,

Katherine L. Kelly

Commission Clerk

Approved July 17, 2013