

OHIO CASINO CONTROL COMMISSION
MEETING MINUTES
10:00 A.M. – November 12, 2014
RHODES TOWER, LOBBY HEARING ROOM
30 W. BROAD STREET
COLUMBUS, OHIO 43215

The regular meeting of the Ohio Casino Control Commission (OCCC) was called to order at 10:08 a.m. by Chair Jo Ann Davidson. Commissioners McKinley Brown, Martin Hoke, Will Lucas, Ranjan Manoranjan, John Steinhauer, and June Taylor were also in attendance. The minutes of the October 15, 2014 meeting were approved following a motion by Commissioner Lucas, seconded by Commissioner Brown.

Executive Director Schuler began his report with a review of the renewal process for Ohio's casino operators, management/holding companies, and Gaming-Related vendors listed in an Exhibit A provided to the Commissioners. Mr. Schuler stated staff was now in the process of receiving renewal applications for these entities. Mr. Schuler highlighted that both Rock Gaming LLC and Caesars Enterprise Services, LLC would be applying for their first management company licenses this year.

Mr. Schuler went reported that both he and Chair Davidson met with the CEOs of both Caesars and Penn National regarding their request to consider reducing the renewal fee for Casino Gaming Employees (CGEs). Mr. Schuler reviewed the current costs of renewing a CGE license, and the statutory requirement to conduct complete investigations every three years, including obtaining a new background check and fingerprints. Mr. Schuler indicated the Commission wanted to do due diligence in reviewing this request, and in the context of renewals, felt it was time to consider the renewal fee amounts. Chair Davidson indicated that due to the fees being set by administrative rule, the Commission cannot simply change a fee amount, and changing a rule can be a lengthy process. Commissioner Hoke indicated his main concern was ensuring the fee is fair for the employee, and felt a possible resolution would be to require the casino to pay for the renewal fee, rather than the employee. Chair Davidson mentioned another factor to consider in the alteration of fee amounts is the fact that the Commission's only sources of revenue are casino taxes and licensing fees. Commissioner Lucas cautioned that any alteration in fees should not negatively impact the Commission's mandate to ensure the integrity of casino gaming. Mr. John Barron, OCCC Deputy Executive Director and General Counsel, reported that the Constitution is very limited on where the Commission may obtain revenue. Mr. Barron further indicated that the fees help the Commission continue to have funds to ensure that the legal, enforcement, and compliance duties continue to meet statutory requirements. Ms. Davidson stated all the information the Commissioners requested would be obtained so the issue could be further reviewed.

Mr. Schuler ended his report indicating the OCCC's budget was still on track, and announced that the \$1.2 million start-up loan from OBM has been paid back in full as part of the FY15 budget plan.

Aleah Page, Manager of Vendor and Operator Licensing then presented to the Commission for consideration, Key Employee Licenses for six individuals. The OCCC Division of Licensing and Investigation had completed background investigations of the applicants and recommended approval. Ms. Page recommended approval of Commission Resolution 2014-21, granting three-year key employee licenses to Daniel Cherry, Vice President of Casino Operations, Hollywood Casino Columbus; June Harwood, Regulatory Compliance Officer, Horseshoe Casino Cleveland; Timothy Lambert, General Counsel, Caesars Entertainment Operating Company, Inc.; Alan LeFevre, Executive Vice President, Chief

Financial Officer, Jarden Corporation (parent of US Playing Cards Company); Robert Morse, President of Hospitality, Caesars Entertainment Operating Company, Inc.; and Michael Sasso, Director of Field and Gaming Services, GTECH USA. A motion to approve the Resolution was made by Commissioner Manoranjan. The motion was seconded by Commissioner Taylor and approved.

Patrick Martin, OCCC Director of Regulatory Compliance, presented to the Commission for their consideration, the approval of Ernst & Young LLP (Ernst) as Penn National Gaming Inc.'s (Penn's) independent registered certified public accounting firm for the purposes of preparing the required annual audited financial statement. Commissioner Taylor made a motion to adopt Commission Resolution 2014-22, approving Ernst as the accounting firm for Penn. The motion was seconded by Commissioner Lucas and approved.

Mr. Martin presented to the Commission for their consideration, the approval of a waiver to allow the Hollywood Casino Columbus (Hollywood) to use an EMT room near the gaming floor as its required security detention area. Commissioner Hoke asked Mike Masterson, OCCC Director of Enforcement, how frequent the EMT and detention areas are used. Mr. Masterson reported that although usage of the detention room could vary amongst the casinos, the usage was once to twice a week. Mr. Masterson indicated the Commission could not report on EMT usage as medical incidents are solely handled by casino security. Commissioner Brown made a motion to approve the waiver. The motion was seconded by Commissioner Steinhauer. Hollywood also requested amendments to its Accounting, Player Services, Security, Slots, and Tables Games plans to include support-intercept controls for checking jackpots against the Ohio Department of Jobs and Family Services' (ODJFS) debtor database, and resolve outstanding audit issues. Mr. Schuler reported that after only three months of operation, \$400,000 has been intercepted and returned to the ODJFS for child support. A motion to approve the proposed changes was made by Commissioner Lucas. The motion was seconded by Commissioner Manoranjan and approved.

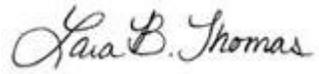
John Barron, OCCC Deputy Executive Director and General Counsel, presented a settlement agreement between the OCCC and Horseshoe Cincinnati Management, LLC (Horseshoe). Mr. Barron briefly reviewed the issues leading to the settlement. During a routine compliance audit of the procedures by which Horseshoe attains third-party vendor certifications and by which Horseshoe's employees accept tips and gratuities, Commission staff discovered practices that violated Ohio law and Horseshoe's internal controls. After notices of violation were issued, a hearing was waived and the agreement was reached. The settlement agreement proposed to the Commission included a fine of \$40,000 and the implementation of remedial measures by Horseshoe. A motion to approve the proposed settlement agreement was made by Commissioner Steinhauer. Commissioner Lucas seconded the motion which was given unanimous approval.

Mr. Barron then presented one final order to the Commission for consideration:

In re: Ellis Quinn, Jr. (Case #2014-IVEL-004), a hearing was not requested. Chair Davidson made a motion to place Mr. Quinn onto the Commission's Involuntary Exclusion List. The motion was seconded by Commissioner Hoke and approved.

There being no further business before the Commission, the meeting was adjourned.

Signed,

A handwritten signature in cursive script that reads "Lara B. Thomas".

Lara B. Thomas
Commission Clerk

Approved: December 17, 2014