

OHIO CASINO CONTROL COMMISSION  
MEETING MINUTES  
10:00 A.M. – December 21, 2016  
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 1:10 p.m. by Chair Davidson. Commissioners McKinley Brown, Will Lucas, Ranjan Manoranjan, John Steinhauer, and June Taylor were also in attendance. Commissioner Hoke had an excused absence. The minutes of the November 16, 2016 meeting were approved following a motion by Commissioner Lucas, seconded by Commissioner Brown.

Executive Director Schuler began his report informing the Commissioners that S.B. 375 had been introduced by Senator Dave Burke. This bill would give the Commission rule-making and regulatory authority over daily fantasy sports. The bill is likely to be reintroduced next year.

Mr. Schuler reported significant growth was being seen in the Commission's voluntary exclusion program (VEP), with a total of 2,816 enrollees as of December 20, 2016. The Commission is currently receiving 25-30 VEP applications each week.

Mr. Schuler noted a recap of the entire budget quarter would be provided at the next meeting, but characterized the Commission's budget as staying on an even keel. There was a significant influx in employee license fees due to vendor changes and the switch to JACK Entertainment. Lastly, Mr. Schuler reported Hollywood Casino Toledo (HCT) underwent a weather emergency, causing closure of the casino on December 11, 2016. It was evident from the HCT's detailed post-closure report of all steps taken leading to the closure and reopening of the casino, that controls currently in place are working as they should.

Next, Carl Sottosanti, General Counsel of Penn National Gaming, Inc. (Penn), presented a financial update on the company. Mr. Sottosanti indicated Penn would be requesting approval of a refinancing debt transaction at next month's meeting. Due to expected rate hikes, Mr. Sottosanti indicated it was prudent to refinance now, in order for Penn stay on a steady financial path. The debt transaction is expected to close in late January. Mr. Schuler and Commissioners expressed the need for more detail on the matter which was confidential in nature. Chair Davidson indicated Commission members would go into an Executive Session towards the end of the agenda.

Mr. Matt Oyster, Director of Licensing and Investigations, presented to the Commission for consideration a Gaming-Related Vendor license application for Incredible Technologies, Inc. (Incredible), and related holding companies, as well as initial Key Employee applications for three related individuals. The Division of Licensing and Investigations completed suitability background investigations of Incredible and its two holding companies, as well as its three Key Employees, and recommended approval. Mr. Oyster recommended approval of Commission Resolution 2016-31, granting a three-year Gaming-Related Vendor license to Incredible and three-year Key Employee licenses to Richard Ditton, James Doré, and Elaine Hodgson. A motion to approve the Resolution was made by Commissioner Lucas. The motion was seconded by Commissioner Taylor and approved.

Mr. Oyster then presented to the Commission for consideration Key Employee licenses for two individuals. Commissioner Manoranjan had questions regarding the applicants that were confidential in nature, and requested to discuss the applicants in Executive Session. Chair Davidson indicated this matter would go into an Executive Session towards the end of the agenda.

Michelle Siba, Deputy General Counsel, presented to the Commission for consideration rule amendments for final filing. Mr. Siba explained that the Commission initially approved new rule and amendments to Ohio Admin Code: 3772-1-07, 3772-3-01, 3772-3-02, 3772-3-03, 3772-3-04, 3772-3-05, 3772-3-06, 3772-5-01, 3772-5-02, 3772-5-03, 3772-5-04, 3772-5-05, 3772-5-06, 3772-6-01, 3772-6-02, 3772-6-03, 3772-6-04, 3772-6-05, 3772-8-01, 3772-8-02, 3772-8-03, 3772-8-04, 3772-8-05, 3772-8-06, 3772-10-05, 3772-12-01, 3772-12-02, 3772-12-03, 3772-12-04, 3772-12-06, 3772-13-01, 3772-13-02, 3772-23-01, 3772-23-02, 3772-23-06 at the June 15, 2016 and August 17, 2016 public meetings. After receiving initial approval of the new rule and amendments, Commission staff filed them and a Business Impact Analysis with the Common Sense Initiative Office (CSIO). The CSIO was noted to have reviewed and subsequently authorized the Commission to proceed with filing the new rule and amendments with the Joint Committee on Agency Rule Review (JCARR). Commissioner Brown made a motion to adopt Commission Resolution 2016-33, approving final filing of the new rule and amendments. The motion was seconded by Commissioner Steinhauer and approved.

Ms. Siba also reviewed for the Commission a proposed amendment to existing rule 3772-11-25 for their initial approval. A motion to initially approve the amendment was made by Commissioner Taylor. The motion was seconded by Commissioner Lucas and approved.

Next, Mr. Oyster presented for consideration updated license applications for Commission approval. Mr. Oyster explained that as a result of statutory changes and the five-year rule review process, staff had the opportunity to update all licensing applications. Mr. Oyster reviewed for the Commission the updates and changes to each of the license applications. A motion to approve the updated Casino Gaming Employee License Application was made by Commissioner Manoranjan. The motion was seconded by Commissioner Lucas and approved. A motion to approve the updated Key Employee License Application was made by Commissioner Brown. The motion was seconded by Commissioner Lucas and approved. A motion to approve the updated Gaming-Related Vendor License Application was made by Commissioner Brown. The motion was seconded by Commissioner Steinhauer and approved. Finally, a motion to approve the updated Casino Operator and Management Company License Application and Holding Company Form was made by Commissioner Steinhauer. The motion was seconded by Commissioner Taylor and approved.

Andromeda Morrison, Director of Skilled Games, presented to the Commission eight rules for consideration of initial filing. Ms. Morrison explained these rules had been previously considered by the Commission and approved, however, after going through the initial CSIO and JCARR process technical changes were needed. The following rules were changed and resubmitted to the Commission for approval:

3772-50-01 Definitions.

3772-50-05 Key employee licensing.

3772-50-11 Duty to update.

3772-50-12 Filing requirements.

3772-50-18 Duties of type-B skill-based amusement machine operators.  
3772-50-19 Duties of type-C skill-based amusement machine operators.  
3772-50-20 Duties of type-C skill-based amusement machine locations.  
3772-50-26 Skill-based amusement machine tournaments.

Commissioner Steinhauer made a motion to approve initial filing of the rules. The motion was seconded by Commissioner Taylor and approved.

Thereafter, the Commission went into executive session on two different issues. First, to allow the Commission to obtain additional detail regarding Penn's anticipated debt transaction, and second, to discuss a key employee application. Chair Davidson made a motion to go into executive session pursuant to R.C. 121.22(G)(5), for each reason, stating: "Discussion of Penn National Gaming, Inc.'s financial conditions include matters that are required to be kept confidential by state statute. In particular, this discussion requires disclosure of financial and trade secret information that is deemed confidential under R.C. 3772.16(A)(9) and (12), respectively," and "Discussion of Penn National Gaming, Inc.'s financial conditions and key employee license applications include matters that are required to be kept confidential by state statute. In particular, this discussion requires disclosure of financial information, trade secrets, and information provided in a multijurisdictional personal history disclosure form, including the Ohio Supplement, exhibits, attachments, and updates, that is deemed confidential under R.C. 3772.16(A)(9), (12) and (14)." The motion was seconded by Commissioner Steinhauer and adopted by a roll call vote 6-0.

The Commission moved into Executive Session at 2:11 p.m.

The regular meeting of the Commission resumed at 3:01 p.m., and reverted back to the consideration of key employee licensure for two individuals. Mr. Oyster stated the Division of Licensing and Investigations had completed background investigations of the applicants and recommended approval of Commission Resolution 2016-32, granting three-year key employee licenses to Ryan Bufalini, JACK Entertainment, LLC and Brendan Gowen, JACK Cleveland Casino, LLC. A motion to approve the Resolution was made by Commissioner Taylor. The motion was seconded by Commissioner Manoranjan and approved.

Patrick Martin, OCCC Director of Regulatory Compliance, presented to the Commission for their consideration, the approval of waivers for each casino property on O.A.C. 3772-19-09(B)(5), which requires surveillance logs to include entries and notifications received by surveillance employees regarding all movements or transfers of cash, cash equivalents, chips, tokens, cards or dice. In accordance with pending rule changes to O.A.C. 3772-19-09(B)(5), which will require the aforementioned movements of assets to be logged at a threshold approved by the Executive Director, each of the casinos sought to establish a threshold in advance of the rule changes going into effect. A motion to approve the waivers was made by Commissioner Steinhauer. The motion was seconded by Commissioner Taylor and approved.

Next, Mr. Martin presented to the Commission for their consideration, amendments to Internal Controls being requested by HCO, HCT, JACK Cincinnati (JCI), and JACK Cleveland (JCL). All of the proposed changes had been reviewed and recommended by the OCCC staff.

- HCO sought to amend its plans for General , Accounting Operations, Player Services Cage Operations, Surveillance, Security, and Slots Operations plans. The bulk of the changes came from Penn National’s efforts to standardize positions and titles across its properties. Changes to the Surveillance plan were due to audit findings and O.A.C. provisions that became effective on October 1<sup>st</sup>. Commissioner Taylor made a motion to approve the proposed changes. The motion was seconded by Commissioner Lucas and approved.
- HCT sought changes to many of the same plans as HCO, including its General, Accounting, Player Services, Information Technology, Marketing, Security, Slot Operations, and Surveillance plans. The changes were because of corporate-wide task force on positions, O.A.C. revisions, and a few audits. Commissioner Lucas made a motion to approve the proposed changes. The motion was seconded by Commissioner Taylor and approved.
- JCI sought amendments to complete its revisions to table game rules. JCI also implemented the October 1<sup>st</sup> O.A.C. changes, as well as some routine staffing changes. Additionally, JCI added a new blackjack game called “ZAPPIT.” Commissioner Brown made a motion to approve the proposed changes. The motion was seconded by Commissioner Manoranjan and approved.
- Similar to JCI’s request, JCL sought to revise eight table game rules, and add “Crazy Four Poker” to JCI. JCI also implemented the October 1<sup>st</sup> administrative code changes, and prepared some significant IT plan changes. Commissioner Lucas made a motion to approve the proposed changes. The motion was seconded by Commissioner Taylor and approved.

John Barron, Deputy Executive Director and General Counsel, then presented a settlement and three final orders to the Commission for consideration:

In re: Sean Spencer (case #2016-LIC-025). Commissioner Steinhauer made a motion to approve the settlement. The motion was seconded by Commissioner Lucas and approved.

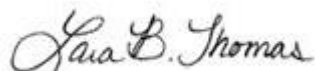
In re: Chad Buchanan (case #2016-LIC-027). Chair Davidson made a motion to revoke the CGE License for Chad Buchanan. The motion was seconded by Commissioner Taylor and approved.

In re: Carzetta Taylor (case #2016-LIC-016). Chair Davidson made a motion to deny the CGE License Application for Carzetta Taylor. The motion was seconded by Commissioner Brown and approved.

In re: Jamie Maynard (case #2016-LIC-028). Chair Davidson made a motion to revoke the CGE License for Jamie Maynard. The motion was seconded by Commissioner Steinhauer and approved.

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

Signed,



Lara B. Thomas  
Commission Secretary

Approved: January 18, 2017