

OHIO CASINO CONTROL COMMISSION  
MEETING MINUTES  
10:00 A.M. – October 12, 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 10:07 a.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 September 21, 2016 meeting were approved following a motion by Commissioner Taylor, seconded by Commissioner Brown.

Executive Director Schuler began his report with a quarterly budget update. He noted revenue is above estimates, while expenditures are below estimates. Mr. Schuler mentioned the tax revenue was 1.7% above estimate, reflecting activity at the casinos for April 1-June 30, 2016.

Mr. Schuler also highlighted some of the Commission's recent investigations of illegal casinos. Mike Masterson, Director of Enforcement, gave a report on those investigations. Mr. Masterson reported the Commission's Enforcement Division, along with the assistance of several other law enforcement agencies, recently served warrants upon four businesses and one residence, all owned by the same individual. Agents seized approximately \$243,000 in cash and also disabled 265 illegal slot machines between the 4 businesses.

Anna Marin Russell, Manager of Investigations, presented for consideration a debt transaction proposal for JACK Ohio LLC (JACK). Ms. Russell indicated that JACK, on behalf of its wholly owned subsidiaries, requested approval to refinance its entire capital structure. Dan Reinhard, Senior Vice President of Government Relations and General Counsel at JACK Entertainment, stated he felt that nothing concerning the debt transaction had changed and the market conditions were still good. The Division of Licensing and Investigations conducted a due diligence and financial probity review and recommended conditional approval of Commission Resolution 2016-25. One condition of the approval requires JACK to close all transactions related to the proposal without any material changes to the terms or documentation that has been provided, as determined by the Commission, no later than November 16, 2016. A motion to approve Resolution 2016-25 was made by Commissioner Lucas. The motion was seconded by Commissioner Taylor and approved.

Matt Oyster, Director of Licensing and Investigations, then presented to the Commission for consideration Key Employee Licenses for three individuals. The OCCC Division of Licensing and Investigations completed background investigations of the applicants and recommended approval of Commission Resolution 2016-26, granting three-year key employee licenses to Jessica McGrady, Hollywood Casino Toledo, Samuel Porter, III, Penn National Gaming Inc., and Matthew Wooddell, Hollywood Casino Toledo. A motion to approve the Resolution was made by Commissioner Brown. The motion was seconded by Commissioner Taylor and approved.

Will Cox, Assistant General Counsel, presented to the Commission for consideration rule amendments for final filing. Mr. Cox explained that the Commission approved amendments to Ohio Admin Codes: 3772-1-03, 3772-1-06, 3772-2-01, 3772-2-09, 3772-2-10, 3772-2-11, 3772-2-12, and 3772-4-11 at the February 17, 2016 and April 20, 2016 public meeting. After receiving initial approval of the Amendments, Commission staff prepared those Amendments and filed 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 Amendments with the Joint Committee on Agency Rule Review (JCARR). Commissioner Steinhauer made a motion to adopt Commission Resolution 2016-27, approving

final filing of the rule amendments. The motion was seconded by Commissioner Manoranjan and approved.

Mr. Cox also reviewed for the Commission proposed amendments to existing rules, pursuant to the required R.C. 119.04 statutory five-year review. A motion to adopt the amendments was made by Commissioner Steinhauer. The motion was seconded by Commissioner Taylor. Commissioner Steinhauer then stated he had an amendment to make to one of the proposed amendments. Commissioner Steinhauer proposed adding the language: “any other consideration that the Commission deems necessary, including fairness to patrons,” to 3772-11-03(A)(11). Commissioner Steinhauer made a motion to adopt the amendment. The motion was seconded by Commissioner Manoranjan and approved. Then, the Commission took up the previous question of approval of the proposed amendments to existing rules. The motion was approved.

Andromeda Morrison, Director of Skilled Games, presented to the Commission five new rules for consideration of initial filing. The following are the five new rules:

- 3772-50-16 Prohibited Activities. (new)
- 3772-50-17 Duties of skill-based amusement machine vendors. (new)
- 3772-50-18 Duties of type-B skill-based amusement machine operators. (new)
- 3772-50-19 Duties of type-C skill-based amusement machine operators. (new)
- 3772-50-20 Duties of type-C skill-based amusement machine locations. (new)

Commissioner Steinhauer made a motion approving initial filing of the rules. The motion was seconded by Commissioner Lucas and approved.

Patrick Martin, Director of Regulatory Compliance, presented to the Commission for their consideration, the approval of the proposed casino gaming designation for Hollywood Casino Toledo to expand their outdoor gaming area. Commissioner Brown made a motion to approve the casino gaming area designation. The motion was seconded by Commissioner Manoranjan.

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

- HCO sought amendments to its General, Accounting, Table Games, and Banking Secrecy Act (BSA/AML) plans. Changes to the BSA/AML plans are a result of recent IRS audit findings and involve adding detail on how HCO will identify patrons who “chip walk” and who have minimal gambling. HCO also added provisions to its unclaimed winning controls, clarifying that three-year-old slot tickets and unclaimed jackpots, as well as five-year-old front money must be reported and remitted to the Department of Commerce. Commissioner Taylor made a motion to approve the proposed changes. The motion was seconded by Commissioner Manoranjan and approved.
- HCT sought amendments to its General, Accounting, Cage, Table Games, Game Rules, and Tips plans. The game rules account for most of the changes and are in response annual audits ensuring that games were being played according to their stated rules. Commissioner

Steinhauer made a motion to approve the proposed changes. The motion was seconded by Commissioner Lucas and approved.

- o JCI sought routine changes to these plans: Accounting, Cage, Information Technology, Slots, Table Games, and Game Rules. Importantly, JCI revised their Surveillance Plans according to a software upgrade on password security, and revised the audit frequency on Surveillance. JCI also made changes to the Introduction Plan's org chart and the Security Plan's staffing minimums. Commissioner Brown made a motion to approve the proposed changes. The motion was seconded by Commissioner Lucas and approved.
- o JCL also pursued the same routine changes as JCI, as well as the revisions to Surveillance Plans and audit frequency. In addition to the shared change requests, JCL made changes to game rules in Mississippi Stud, Roulette, and Free Bet Blackjack. Commissioner Taylor made a motion to approve the proposed changes. The motion was seconded by Commissioner Lucas and approved.

Then, Mr. Martin presented to the Commission for their consideration, the approval of Deloitte & Touche LLP (Deloitte) as JACK Ohio LLC's independent registered certified public accounting firm for the purposes of preparing the required annual audited financial statement. Commissioner Brown made a motion to approve Deloitte as the accounting firm for JACK Ohio LLC. The motion was seconded by Commissioner Manoranjan and approved.

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

In re: Michael Getz (case #2016-LIC-014). Chair Davidson made a motion to deny the CGE License Application for Michael Getz. The motion was seconded by Commissioner Lucas and approved.

In re: Antonio Jones (case #2016-LIC-019). Chair Davidson made a motion to revoke the CGE License for Antonio Jones. The motion was seconded by Commissioner Manoranjan and approved.

In re: Nicholas Bolton (case #2016-LIC-020). Chair Davidson made a motion to revoke the CGE License for Nicholas Bolton. The motion was seconded by Commissioner Taylor and approved.

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

Signed,



Caty Abbott  
Acting Commission Secretary

Approved: