

OHIO CASINO CONTROL COMMISSION  
MEETING MINUTES  
10:00 A.M. – July 18, 2018  
RHODES TOWER, LOBBY HEARING ROOM  
30 W. BROAD STREET  
COLUMBUS, OHIO 43215

The regular meeting of the Ohio Casino Control Commission (Commission) was called to order at 10:02 a.m. by Chair Taylor. Commissioners McKinley Brown, Jo Ann Davidson, Will Lucas, Ranjan Manoranjan, Lynn Slaby, and John Steinhauer were also in attendance. The minutes of the June 20, 2018 meeting were approved following a motion by Commissioner Lucas and seconded by Commissioner Slaby.

Executive Director Matthew Schuler began his report with Rick Anthony, Deputy Executive Director and Director of Operations, providing a budget update for fiscal year 2018, and estimates for the 2019 fiscal year (FY19). Mr. Anthony reported revenue was slightly below estimates due to key employee and casino gaming employee (CGE) licensing fees being lower than estimated. These areas can be difficult to estimate year-to-year, due to employee turnover, staffing levels, and vendor mergers. Expenses were well below estimates, mainly attributed to salaries being lower than anticipated due to job vacancies and a lower than expected staff need for the Skill Games Division. Lower expense costs were also due to intrastate payments being less than as in past years. Purchased personal services and equipment overages were attributed to outside vendors needed for the Commission's move to a new office space.

Looking to FY19, Mr. Anthony indicated operator fee estimates will stay the same, but key and CGE fees will be monitored and adjusted if necessary to get as close of an estimate as possible. Tax estimates remain static, as in years past. Expense estimates included increases in salary because of mandated increases for FY19 and new job positions. Increased estimates for administrative hearing costs were made in anticipation of additional hearings with the implementation of skill-based amusement machine (SBAM) regulations.

Mr. Schuler ended his report noting that two separate bills, SB 316 and HB714 have been introduced to express the General Assembly's intent to legalize and regulate sports betting in Ohio. SB 316 was introduced as placeholder legislation and to focus discussion and debate on the issue. HB714 is an identical companion bill. Mr. Schuler stated that the Commission is ready to be a resource for legislators in the same manner as it was on the fantasy contest legislation.

Anna Marin Russell, Manager of Investigations and Senior Legal Counsel, presented for consideration a debt transaction proposal for Penn National Gaming, Inc. (Penn). Ms. Russell indicated that Penn, on behalf of its wholly owned subsidiaries, requested approval to pursue additional loan commitments to help fund the anticipated acquisition of Pinnacle Entertainment, Inc. (Pinnacle). To accomplish this, Penn entered into a First Amendment to its Existing Amended and Restated Credit Agreement to refinance its entire capital structure, whereby it received initial commitments from its lenders to provide the underwriting in connection

with the acquisition of Pinnacle. Amended language to Condition (A) of Resolution 2018-25 was proposed by Commissioner Steinhauer, which would now read:

- (A) Penn shall close all related transactions in a substantially similar form and without any material changes to the terms or documentation provided in support thereof, as determined by the Commission, no later than September 18, 2018, and provide executed copies of all related documents within 10 days of execution; if the transaction closes in a substantially different form or with one or more material changes, as determined by the Commission, or does not close by September 18, 2018, approval thereof is null and void, unless further approved by the Commission.

The motion was seconded by Commissioner Slaby and approved.

Aleah Page, Manager of Licensing, presented to the Commission for consideration, the Gaming-Related Vendor license renewal applications for JCM American Corporation (JCM) and Japan Cash Machine Co., Ltd. (Japan Cash Machine), and its one holding company, as well as Key Employee license applications for three related individuals. The Division of Licensing and Investigations completed suitability background investigations of JCM and Japan Cash Machine, its holding company, as well as its three Key Employees, and recommended approval. Ms. Page recommended approval of Commission Resolution 2018-26, granting a three-year Gaming-Related Vendor license to JCM and Japan Cash Machine, and three-year Key Employee renewal licenses to Koichiro Kamihigashi, Yojiro Kamihigashi, and Hisashi Maki. A motion to approve the Resolution was made by Commissioner Lucas. The motion was seconded by Commissioner Manoranjan and approved.

Ms. Page then presented to the Commission for consideration, Key Employee license applications for six individuals. The Division of Licensing and Investigations completed background investigations of the applicants and recommended approval of Commission Resolution 2018-27, granting three-year key employee licenses to Maureen Mullarkey-Miller, Everi Holdings, Inc.; Elizabeth Sliwa, JACK Cincinnati Casino; Johan Mirkovic, JACK Cleveland Casino; Adam Chibib, PlayAGS, Inc.; Yvette Landau, PlayAGS, Inc.; and Eric Press, PlayAGS, Inc. A motion to approve the Resolution was made by Commissioner Davidson. The motion was seconded by Commissioner Brown and approved.

Michelle Siba, Deputy General Counsel, presented to the Commission for consideration a rule amendment for final filing. Ms. Siba explained that the Commission initially approved the proposed amendment to Ohio Adm. Code 3772-10-03 at the February 21, 2018 public meeting. After receiving initial approval of the amendment, Commission staff filed it along with 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 amendment with the Joint Committee on Agency Rule Review. Commissioner Manoranjan made a motion to adopt Commission Resolution 2018-28, approving final filing of the amendment. The motion was seconded by Commissioner Slaby and approved.

Andromeda Morrison, Director of Skill Games, presented to the Commission for consideration of proposed amendments to existing rules 3772-50-04—08 for initial approval. Ms. Morrison explained that these amendments would reduce the license period for SBAM key employees and machine locations from five to three years. Additionally, the amendments proposed a reduction in fees, reducing both the application and licensing fees for all SBAM licenses. The original fee structure was devised to ensure the Commission could support the cost of the Skill Games Division. To allow all industry participants, including small businesses, to compete on a level playing field, the Commission was able to make fee adjustments while still ensuring the integrity of SBAMs. A motion to adopt the amendments was made by Commissioner Steinhauer. The motion was seconded by Commissioner Davidson and approved.

To ensure equal application of the reduced fee structure for all applicants and licensees, Ms. Morrison recommended the Commission grant a waiver of the existing language of rules 3772-50-04—08. Additionally, Ms. Morrison recommended that the Commission's waiver be retroactively applied to all applicants that have submitted applications under Chapter 3772-50. The waiver would allow all applicants and licensees to act under the proposed amended versions of rules 3772-50-04—08. A motion to adopt the waiver was made by Commissioner Steinhauer. The motion was seconded by Commissioner Davidson and approved.

Chris Fleenor, Manager of Compliance and Gaming, presented to the Commission for their consideration, joint amendments to Internal Controls for JACK Cincinnati Casino (JCI) and JACK Cleveland Casino (JCL). JCI and JCL had requested changes to their AML, Cage, and Security plans. The changes are to address the new Ohio temporary identification process instituted by the Ohio Bureau of Motor Vehicles. The addition of two new games were also requested: High Card Flush and Criss Cross Poker. Additionally, JCL requested changes to the dealing procedures for Mississippi Stud and JCI requested changes to the wagering procedures for Ultimate Texas Hold'Em. Commission staff reviewed the requested changes and recommended approval. Commissioner Steinhauer made a motion to approve the proposed changes for JCI and JCL. The motion was seconded by Commissioner Slaby and approved.

Next, Mr. Fleenor presented joint amendments to Internal Controls for Hollywood Casino Columbus (HCO) and Hollywood Casino Toledo (HCT). HCO and HCT requested changes to their Table Games plans. HCO requested to add the new table game Dai Bacc and add procedures for a new table games progressive jackpot manager. HCT requested the addition of the new game High Card Flush, as well as, to add new blackjack side bets. Commission staff reviewed the requested changes and recommended approval. Commissioner Lucas made a motion to approve the proposed changes for HCO and HCT. The motion was seconded by Commissioner Slaby and approved.

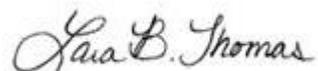
Next, Matt Oyster, General Counsel and Director of Licensing and Investigations, presented to the Commission two final orders for consideration:

In re: Shawn Burton (case #2017-LIC-053). Commissioner Taylor made a motion to deny the CGE License Application for Shawn Burton. The motion was seconded by Commissioner Davidson and approved.

In re: Gordan Hunt, Jr. (case #2017-LIC-060). Commissioner Taylor made a motion to deny the CGE License Renewal Application for Gordon Hunt, Jr. The motion was seconded by Commissioner Manoranjan 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 Secretary

Approved: August 15, 2018