

OHIO CASINO CONTROL COMMISSION
MEETING MINUTES
10:00 A.M. – February 21, 2018
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 10:06 a.m. by Chair Taylor. Commissioners Will Lucas, Ranjan Manoranjan, Lynn Slaby, and John Steinhauer were also in attendance. Vice-Chair Jo Ann Davidson and Commissioner McKinley Brown had excused absences. The minutes of the January 17, 2018 meeting were approved following a motion by Commissioner Lucas seconded by Commissioner Manoranjan.

Executive Director Matthew Schuler began his report with Rick Anthony, Deputy Executive Director and Director of Operations providing a budget and office move update. Mr. Anthony reported that the first month of the quarter revealed the Commission was on track to meet revenue estimates. Although taxes were noted to be down about 3% this quarter, the previous three quarters' tax estimates were above estimates. Expenses were on track or below for some categories. Rent is anticipated to go up in the next quarter due to expenses from the recent office move and new building rent. Overall the Commission is on track for revenue and expenditures.

Next Mr. Anthony provided an overview of the Main Office move that occurred over the weekend through President's Day. Operations did a lot of work in preparation for the move and worked with DAS installing necessary updates to the building. Mr. Anthony noted the transition to the new building went smoothly and there was minimal downtime. Mr. Anthony thanked the Operations staff, OPI, DAS for their help with the move, and the entire Commission staff for their help with the packing. Mr. Anthony anticipated that Commission meetings would be held at the new office in the coming months.

Mr. Schuler noted that staff will soon be drafting rules for fantasy contests. A representative of both the large and small entities in the fantasy contest industry will be providing information on their products at the upcoming March meeting.

Finally, Mr. Schuler noted the SBAM Division have put together an outreach program to inform the industry of legal obligations once regulatory rules go in effect. The SBAM Division, led by Andromeda Morrison, Director of Skill Games, will be traveling to 11 different cities and will host an educational seminar in the morning and afternoon informing individuals and entities of the regulatory requirements. Direct mailers will be sent to businesses that may have skill based games and all law directors to inform them of the education seminars. The outreach program is slated to take place at the end of March through early April. Additionally, staff have already begun in-house training, and have traveled to both the Toledo and Cincinnati offices to provide training for enforcement officers. Future training visits to the Columbus and Cleveland offices will take place in the next couple of weeks.

Matthew Oyster, Director of Licensing and Investigations and General Counsel, presented to the Commission for consideration the initial Gaming-Related Vendor license application for AGS, LLC (AGS), and related holding companies, as well as initial Key Employee applications for eight related individuals. The Division of Licensing and Investigations completed suitability background investigations of AGS, its five holding companies, as well as its eight Key Employees, and recommended approval. Mr. Oyster recommended approval of Commission Resolution 2018-05, granting a three-year Gaming-Related Vendor license to AGS and three-year Key Employee licenses to Nicholas Akiona, Leon Black, Daniel Cohen, Victor Gallo, Joshua Harris, David Lopez, Mark Rowan, and David Sambur. A motion to approve the Resolution was made by Commissioner Slaby. The motion was seconded by Commissioner Manoranjan and approved.

Then Mr. Oyster presented the Gaming-Related Vendor license application for Galaxy Gaming, Inc. (Galaxy), and its related holding company, as well as initial Key Employee applications for five related individuals. The Division of Licensing and Investigations completed suitability background investigations of Galaxy, its holding company, as well as its five Key Employees, and recommended approval. Mr. Oyster recommended approval of Commission Resolution 2018-06, granting a three-year Gaming-Related Vendor license to Galaxy and three-year Key Employee licenses to Harry Hagerty, Mark Lipparelli, Robert Saucier, Bryan Waters, and William Zender. A motion to approve the Resolution was made by Commissioner Lucas. The motion was seconded by Commissioner Slaby and approved.

Next Mr. Oyster presented to the Commission for consideration Key Employee Licenses for five individuals. The OCCC Division of Licensing and Investigations completed background investigations of the applicants and recommended approval of Commission Resolution 2018-07, granting three-year key employee licenses to Kaori Yamaguchi, Konami Holdings Corporation; Richard Hadrill, Scientific Games Corporation; M. Gavin Isaacs, Scientific Games Corporation; Robert Parente, Scientific Games Corporation; and Thomas Reilly, Scientific Games Corporation. A motion to approve the Resolution was made by Commissioner Lucas. The motion was seconded by Commissioner Slaby and approved.

Michelle Siba, Deputy General Counsel, presented to the Commission two proposed Executive Director Delegations. Ohio Admin. Code 3772-2-05 allows the Commission, in its discretion and where permitted by law, to delegate to the Executive Director the authority to perform functions under R.C. Chapter 3772. Ms. Siba recommended approval of Commission Resolution 2018-08, which would delegate to the Executive Director to grant, deny, or otherwise decide upon requests to withdraw applications for all licenses and requests for certifications issued under R.C. Chapter 3772 and the rules adopted thereunder. Previously, the Commission through Resolution 2012-61, had delegated to the Executive Director the authority to grant, deny, or otherwise decide upon casino gaming employee (CGE) license applicants' request to withdraw their license applications. However, the delegation was limited to CGE applicants only. A motion to approve Resolution 2018-08 was made by Commissioner Steinhauer. The motion was seconded by Commissioner Manoranjan and approved.

Next, Ms. Siba presented the second proposed Executive Director Delegation. Pursuant to Ohio Admin. Code 3772-10-02(A), each casino operator (Operator) must submit written internal controls for Commission

approval. It was explained that occasionally, an Operator will seek to implement internal controls that contain the same language that was previously approved by the Commission for a different casino operator, with only minor, non-substantive, or immaterial differences. Ms. Siba recommended approval of Commission Resolution 2018-09, to delegate to the Executive Director the authority to approve internal controls that were previously approved by the Commission for a separate Operator and only contain minor, non-substantive, or immaterial differences. A motion to approve Resolution 2018-09 was made by Commissioner Steinhauer. The motion was seconded by Commissioner Slaby and approved.

Ms. Siba then presented to the Commission for consideration an amendment to existing rule 3772-10-03 for initial approval. This amendment would no longer require Operators to include their organizational charts in their internal controls. Rather Operators would maintain a copy of organizational charts along with the requisite department and positions, and furnish these upon the request of the Commission. Additionally, Operators would be required to submit any changes to organizational charts to the Executive Director for approval. A motion to adopt the amendment was made by Commissioner Manoranjan. The motion was seconded by Commissioner Lucas and approved.

In order for the four Operators to begin making changes to achieve compliance with the new 3772-10-03 rule language, Ms. Siba recommended the Commission grant a waiver to the Operators from compliance with the existing 3772-10-03 language. This would permit the Operators to operate under the proposed amended version of rule 3772-10-03. A motion to adopt the waiver was made by Commissioner Slaby. The motion was seconded by Commissioner Lucas and approved.

Craig Donahue, Manager of Audits, presented to the Commission for their consideration, amendments to Internal Controls for Hollywood Casino Columbus (HCO), Hollywood Casino Toledo (HCT), JACK Cincinnati Casino (JCI), and JACK Cleveland Casino (JCL). Mr. Donahue indicated that the Division of Compliance staff had recommended two changes be made to all four casino internal control documents. Firstly, that supplemental information in the security sections be kept in a location outside of the internal controls and changes to the supplemental information be approved by the Executive Director or their designee. Relocating the supplemental information, which requires frequent changes, would eliminate 395 pages from the internal controls across all four casinos. These documents would remain on file at each property and at the OCCC and would be made available for Commission review. Secondly, staff recommended that in line with the proposed rule change and related waiver to Ohio Admin. Code 3772-10-03(A), that organizational charts and description of duties for casino personnel also be kept in a document outside of the internal controls and that changes to those documents be approved by the Executive Director or their designee.

A motion and vote was then taken separately for each property regarding the proposed changes:

- Commissioner Manoranjan made a motion to approve the proposed changes for HCO. The motion was seconded by Commissioner Slaby and approved.

- In addition to the Commission staff's recommendations, HCT also sought to amend its Table Games plan. Toledo requested to adjust its slot drop schedule. Commissioner Lucas made a motion to approve the proposed changes. The motion was seconded by Commissioner Slaby and approved.
- Commissioner Lucas made a motion to approve the proposed changes for JCI. The motion was seconded by Commissioner Manoranjan and approved.
- Commissioner Slaby made a motion to approve the proposed changes for JCL. The motion was seconded by Commissioner Manoranjan and approved.

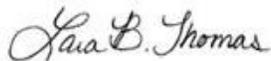
Next, Mr. Oyster presented to the Commission a final order for consideration:

In re: Kenneth Maxwell (case #2017-LIC-055). Chair Taylor made a motion to deny the CGE License Application for Kenneth Maxwell. The motion was seconded by Commissioner Manoranjan and approved.

Rachel Kasper, Assistant General Counsel, then presented to the Commission a Settlement Agreement between JCI. The agreement would settle a case that arose regarding JCI's inaccurate electronic gaming equipment inventory list and unapproved software configuration violations. The settlement agreement includes admissions, conditions, remedial measures, and a \$40,000 fine. Chair Taylor made a motion to accept the agreement on behalf of the Commission and authorizing Chair Taylor to sign the agreement. The motion was seconded by Commissioner Slaby and approved.

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

Signed,



Lara B. Thomas

Commission Secretary

Approved: March 21, 2018