

OHIO CASINO CONTROL COMMISSION
MEETING MINUTES
10:00 A.M. – July 15, 2020
Meeting Held Virtually – Microsoft Teams Live Event

The regular meeting of the Ohio Casino Control Commission (Commission) was called to order at 10:02 a.m. by Chair June Taylor. Vice-Chair Jo Ann Davidson and Commissioners McKinley Brown, Will Lucas, Ranjan Manoranjan, Lynn Slaby, and John Steinhauer were also in attendance. The minutes of the June 17, 2020 meeting were approved following a motion by Commissioner Slaby and seconded by Vice-Chair Davidson.

Executive Director Matthew Schuler began his report recognizing the work of Commission staff and casino personnel at a recent licensing event held at the Cincinnati casino property. Collaboration between Commission and casino staff with the planning and execution of the event was noted to have been exemplary. Hosting a licensing event has always required detailed planning, but during the COVID-19 pandemic this event required even more effort and safety precautions. Mr. Schuler commended casino personnel who helped organize the event to ensure added safety measures, including social distancing, hand-sanitizers at each table, segregating regular patrons a safe distance from the licensing event location, strategic scheduling to prevent crowding, and pre-screening for COVID-19 symptoms. Mr. Schuler stated that this model will be used going forward for all licensing events, as the execution and management of the event went very smoothly.

Mr. Schuler ended his report with Rick Anthony, Deputy Executive Director and Director of Operations, providing a budget update for the end of fiscal year 2020 (FY20). Mr. Anthony indicated that the budget estimates for the 2021 fiscal year (FY21) would be presented at the August meeting. Mr. Anthony reported that revenues were above estimates for the year due to the receipt of fantasy contest operator licensing fees not originally estimated for the year, as well as, unanticipated licensing fees received from the Hard Rock and JACK Cleveland transitions. Mr. Anthony noted that wages and benefits would have been right at estimates, but due to the COVID-19 pandemic mitigating the need for overtime for the Enforcement Division these came in below estimates. Similarly, purchased personal services for the year were below estimates, but may have been higher if skill-based amusement machines hearings would have taken place. Lastly, supplies and equipment for FY20 were below estimates, notably due to the Commission's continued paperless initiative, personnel teleworking these last few months, and no equipment upgrades being planned for the year.

Next, Mr. Anthony reported the Enforcement Fund remains primarily unchanged. Usage of purchased personal services was low, due to either training being brought in-house and contracting OPOTA training with Owens Community College at lower rates. Some funds were used to supply Agents their mandated clothing allowance, and some equipment costs were seen with the purchase of new surveillance equipment for illegal casino investigations.

Anna Marin Russell, Manager of Investigations and Senior Legal Counsel, presented for consideration, JACK Cleveland Casino LLC's (JACK) new application for licensure as a casino operator. Recently, the owners of JACK approached the Commission with a restructuring proposal that would result in a change in control of the enterprise. Under R.C. 3772.091, licenses are not transferable, and a significant change in or transfer of control requires a new license. Therefore, due to the anticipated restructuring, JACK had to apply for and obtain a new casino-operator license in order to continue operating the Cleveland casino facility. The Commission previously found JACK suitable for licensure and issued it an initial casino-operator license on May 2, 2012, through Resolution 2012-41. This license was subsequently renewed in 2015 (through Resolution 2015-06) and 2018 (through Resolution 2018-15), respectively. Ms. Russell then invited Dan Reinhard, General Counsel & Government Affairs Director of JACK Entertainment, to present a brief presentation on JACK's application and its future path.

The Commissioners had questions that were confidential in nature relating to financial and trade-secret information. Due to the confidential nature of the materials being discussed, Chair Taylor made the following motion: "The material terms of JACK Cleveland Casino LLC's New Casino Operator License Application include matters that are required to be kept confidential by state law. 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. Accordingly, I move to go into executive session pursuant to R.C. 121.22(G)(5)." The motion was seconded by Vice-Chair Davidson and adopted by a roll call vote of 7-0.

The Commission moved into Executive Session at 10:46 a.m. The regular meeting of the Commission resumed at 12:08 a.m. with Chair Taylor stating that "We are now back on the record."

Ms. Russell reviewed the Division of Licensing & Investigation's "Investigative Report on the Application of JACK Cleveland Casino LLC for a New Casino-Operator License," which concluded that JACK is suitable for licensure, subject to numerous conditions. Chair Taylor made a motion to adopt Commission Resolution 2020-25, granting a new three-year Casino Operator license to JACK. The motion was seconded by Vice-Chair Davidson and adopted by a roll call vote of 7-0.

Andromeda Morrison, Director of Skill Games, presented to the Commission for consideration 72 skill-based amusement machine-related license applications. The Skill Games Division completed background investigations of the applicants, which did not uncover any material derogatory information, and recommended approval of proposed Resolution 2020-26, granting skill-based amusement machine-related licenses upon receipt of the required licensing fees. A motion to approve the Resolution was made by Chair Taylor. The motion was seconded by Commissioner Manoranjan and approved.

Aleah Page, Manager of Licensing, Casino Gaming & Fantasy Contests, presented to the Commission for consideration the fantasy contest operator license application for Underdog Sports, Inc., d/b/a Underdog Fantasy (Underdog). The Commission's Licensing & Investigations, Legal, Regulatory Compliance, and Problem Gambling Services Divisions completed a suitability investigation of Underdog, which did not

uncover any material derogatory information. Ms. Page recommended approval of proposed Resolution 2020-27, granting an initial three-year fantasy contest operator license. A motion to approve the Resolution was made by Commissioner Lucas. The motion was seconded by Commissioner Slaby and approved.

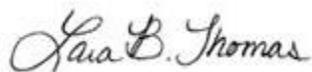
Next, Ms. Page presented to the Commission for consideration the fantasy contest operator license application for Superdraft, Inc. (Superdraft). The Commission's Licensing & Investigations, Legal, Regulatory Compliance, and Problem Gambling Services Divisions completed a suitability investigation of Superdraft, which did not uncover any material derogatory information. Ms. Page recommended approval of proposed Resolution 2020-28, granting an initial three-year fantasy contest operator license. A motion to approve the Resolution was made by Vice-Chair Davidson. The motion was seconded by Commissioner Steinhauer and approved.

Craig Donahue, Manager of Compliance and Auditing, presented to the Commission for consideration the three-year approval of Ernst & Young LLP (Ernst) and Deloitte & Touche LLP (Deloitte) as independent registered certified public accounting firms for the purpose of providing auditing services to any licensed Ohio casino operator during the approval period. Mr. Donahue explained that each casino operator must undergo a financial statement audit each year and must also provide an auditor's report on prospective financial statements including one- and three-year projections. A motion to approve Ernst and Deloitte was made by Commissioner Lucas. The motion was seconded by Commissioner Steinhauer and approved.

Finally, Mr. Donahue presented to the Commission for consideration the three-year approval of Eide Bailly LLP (Eide Bailly) as an independent registered certified public accounting firm for the purpose of conducting financial statement and compliance audits for Ohio fantasy contest operators. Mr. Donahue explained that pursuant to Ohio Adm.Code 3772-74-15, fantasy contest operators are required to undergo a financial audit each year and a compliance audit once each three-year licensure period. A motion to approve Eide Bailly was made by Commissioner Brown. The motion was seconded by Commissioner Lucas and approved.

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

Signed,



Lara B. Thomas

Commission Secretary

Approved: August 19, 2020