

OHIO CASINO CONTROL COMMISSION
MEETING MINUTES

10:00 A.M. – January 15, 2020
JO ANN DAVIDSON HEARING ROOM
100 E. BROAD STREET, 20TH FLOOR
COLUMBUS, OHIO 43215

The regular meeting of the Ohio Casino Control Commission (Commission) was called to order at 10:05 a.m. by Chair June Taylor. Vice-Chair Davidson and Commissioners McKinley Brown, Will Lucas, Ranjan Manoranjan, Lynn Slaby, and John Steinhauer were also in attendance. The minutes of the December 18, 2019 meeting were approved following a motion by Chair Taylor and seconded by Commissioner Lucas.

Executive Director Matthew Schuler began his report with Rick Anthony, Deputy Executive Director and Director of Operations, providing a budget report for the first six months of the fiscal year. Mr. Anthony reported the Commission remains on track for both revenue and expenditures. Casino tax revenue was noted to be over estimates by 2.7%. Gaming-related vendor and key-employee license fees continue to exceed estimates. Notably, the Commission has started receiving revenue from fantasy contest operator license fees. The Commission continues to receive a steady flow of fees from skill-based amusement machine location applications. Supplies and maintenance were below estimates by 16%, primarily due to the Commission's paper reduction initiative. Next, Mr. Anthony reported that the Enforcement Fund has received revenue from illegal casino gaming cases and the agency anticipates receiving additional revenue from these investigations throughout the rest of the fiscal year.

Mr. Schuler ended his report by providing a fantasy contest update. Mr. Schuler reported that to date, the Commission had received a total of 12 applications, and anticipates the license recommendations to be brought before the Commission at the next public meeting. Mr. Schuler indicated that staff is currently reviewing fantasy contest operator's required internal procedures, which are focused on consumer protection. Additionally, each fantasy contest operator must contract with a certified public accountant to perform an independent financial audit. Those firms must be approved by the Commission.

Monica Wilcoxon, Investigator Supervisor, presented to the Commission for consideration the gaming-related vendor license renewal applications for Interblock USA L.C. (Interblock) and Interblock Luxury Gaming Products d.d. (Interblock Luxury). The Division of Licensing & Technologies completed suitability investigations of Interblock, Interblock Luxury, its holding company, and its three associated key-employees (Joze Peččnik, Rok Uhan, and Tomaž Žvipelj), none of which uncovered any material derogatory information. Ms. Wilcoxon recommended approval of proposed Resolution 2020-03, renewing the gaming-related vendor and key employee licenses. A motion to approve the Resolution was made by Commissioner Lucas. The motion was seconded by Commissioner Slaby and approved.

Next, Ms. Wilcoxon presented to the Commission for consideration the new gaming-related vendor license for The United States Playing Card Company (USPC). On June 4, 2019, Newell Brands, Inc. (Newell), the ultimate parent company of USPC, entered into a definitive Stock Purchase Agreement with Cartamundi NV (Cartamundi). The agreement allowed Cartamundi to acquire USPC in an all-cash transaction, making Cartamundi the new majority owner. The agreement was approved by the Board of Directors of both parties and closed on December 31, 2019. Under R.C. 3772.091, licenses are not transferrable. Due to the change in majority ownership, USPC is required to apply for and obtain a new gaming-related vendor license in order to continue to conduct business with the four Ohio casinos. The Division of Licensing & Investigations completed suitability investigations of USPC, and its holding companies, as well as provisional probity investigations of 17 associated key-employees (Pierre Bosseloo, Emile de Cartier de Marchienne, Jean-Louis de Cartier de Marchienne, Martin de Cartier de Marchienne, Raoul de Cartier de Marchienne, Christine Deudon, Paul de Jongh, Istvan Lagaert, Elisabeth Laloux, Stefaan Merckx, Dimitri de Somer, Frédéric de Somer, Jean de Somer, Jean Marie de Somer, John de Somer, Phillippe de Somer, and Philip Wauters), which did not uncover any material derogatory information. Mr. Wilcoxon recommended approval of proposed Resolution 2020-04, granting a new three-year gaming-related vendor and provisional key- employee licenses. A motion to approve the Resolution was made by Commissioner Slaby. The motion was seconded by Commissioner Steinhauer and approved.

Andromeda Morrison, Director of Skill Games, presented to the Commission for consideration 34 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 2020-05, granting skill-based amusement machine-related licenses upon receipt of the required licensing fees. A motion to approve the Resolution was made by Commissioner Lucas. The motion was seconded by Commissioner Manoranjan and approved.

Michelle Siba, Deputy General Counsel, presented to the Commission for consideration 12 rules for final filing, all of which were part of the five-year rule review process. Ms. Siba explained that the Commission previously approved the initial filing of the following rules: Ohio Adm.Code 3772-10-02, 3772-11-17 (no change), 3772-19-01, 3772-19-02, 3772-19-03, 3772-19-04, 3772-19-05, 3772-19-06, 3772-19-07, 3772-19-08, 3772-19-09, and 3772-19-10 After receiving this approval , Commission staff filed the rules along with a Business Impact Analysis with the Common Sense Initiative (CSIO). The CSIO reviewed and subsequently authorized the Commission to proceed with filing the rules with the Joint Committee on Agency Rule Review. After completing the rule-review process, these rules were eligible for final adoption by the Commission. Vice-Chair Davidson made a motion to adopt proposed Resolution 2020-06, approving the final filing of these rules. The motion was seconded by Commissioner Brown and approved.

William Cox, Assistant General Counsel, presented to the Commission for consideration six final orders:

In re: James Bates, Jr. (case #2019-LIC-051). Chair Taylor made a motion to approve and adopt the Report and Recommendation without modifications to deny the Casino Gaming Employee License Application for James Bates, Jr. The motion was seconded by Commissioner Lucas and approved.

In re: Lee Carlock, Sr. (case #2019-LIC-058). Chair Taylor made a motion to deny the Casino Gaming Employee License Application for Lee Carlock, Sr. The motion was seconded by Vice-Chair Davidson and approved.

In re: Nicholas Grazetti (case #2019-LIC-034). Chair Taylor made a motion to approve and adopt the Report and Recommendation with modifications to revoke the Casino Gaming Employee License for Nicholas Grazetti. The motion was seconded by Commissioner Lucas and approved.

In re: Capitola Mitchell (case #2019-LIC-057). Chair Taylor made a motion to deny the Casino Gaming Employee License Application for Capitola Mitchell. The motion was seconded by Commissioner Steinhauer and approved.

In re: Michael Robertson, Jr. (case #2019-LIC-062). Chair Taylor made a motion to revoke the Casino Gaming Employee License for Michael Robertson, Jr. The motion was seconded by Commissioner Manoranjan and approved.

In re: LaTisha Toyer (case #2019-LIC-024). Chair Taylor made a motion to approve and adopt the Report and Recommendation with modifications to deny the Casino Gaming Employee License Application for LaTisha Toyer. The motion was seconded by Commissioner Brown and approved.

Anna Marin Russell, Manager of Investigations and Senior Legal Counsel, presented for consideration a debt transaction proposal for JACK Ohio LLC (JACK), as well as, the suitability of JACK Investment Co., LLC (JACK Investment), a newly formed holding company of JACK Cleveland Casino LLC (JACK Cleveland). Ms. Russell indicated that JACK, on behalf of its wholly owned subsidiaries, had approached the Commission with a proposal to repay and replace all of its existing debt in conjunction with the anticipated sale-leaseback of the JACK Cleveland and JACK Thistledown facilities. Pursuant to R.C. 3772.28 and Ohio Adm.Code 3772-29-01, licensed casino operators are required to obtain Commission approval of any debt transaction totaling \$500,000 or more that concerns a casino facility. Ms. Russell further reported that JACK had recently notified the Commission of its intention to add a newly formed entity, JACK Investment, as a holding company of JACK Cleveland. The proposed addition of this entity is part of JACK's ultimate plan to restructure the enterprise's various investments. Once the restructuring is complete, JACK Investment will hold an indirect ownership interest in JACK Cleveland. Accordingly, JACK sought Commission consideration to effectuate this change.

Ms. Russell then invited Dan Reinhard, General Counsel of JACK Entertainment LLC, to present a follow-up presentation regarding JACK's proposed debt transaction and the restructuring plan. Following Mr. Reinhard's presentation, 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 Ohio LLC's proposed debt transaction as well as both its and JACK Entertainment LLC's proposed organizational and financial restructurings contain matters required to be kept confidential by state statute. In particular, discussion of these terms requires consideration of financial and trade-secret information 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.

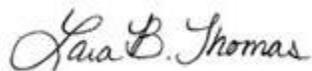
The Commission moved into Executive Session at 10:36 a.m. The regular meeting of the Commission resumed at 11:39 a.m. with Chair Taylor stating that "We are now back on the record."

Ms. Russell reviewed the Division of Licensing and Investigations' due diligence review of JACK's debt transaction proposal, including any impact on the organization's financial suitability and stability, which did not uncover any material derogatory information that negatively affects JACK now or in the foreseeable future. Ms. Russell then recommended approval of the debt transaction through adoption of proposed Resolution 2020-01. A motion to approve the Resolution was made by Vice-Chair Davidson. The motion was seconded by Commissioner Slaby and approved.

Next, Ms. Russell reported that the Division of Licensing and Investigations had conducted a suitability investigation of JACK Investment, as a holding company of JACK Cleveland, to determine what impact, if any, this new holding company would have on the casino-operator licensee's suitability. Following this assessment, the Division did not uncover any material derogatory information that affects the licensee's suitability. Ms. Russell then recommended a finding of suitability through adoption of proposed Resolution 2020-02. A motion to approve the Resolution was made by Commissioner Steinhauer. The motion was seconded by Commissioner Slaby 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: February 19, 2020