

OHIO CASINO CONTROL COMMISSION
MEETING MINUTES

10:00 A.M. – December 14, 2022
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 10:12 a.m. by Chair June Taylor. Vice-Chair John Steinhauer and Commissioners Sheetal Bajoria, McKinley Brown, Will Lucas, and Lynn Slaby were also in attendance. The minutes of the November 16, 2022, meeting were approved following a motion by Chair Taylor and seconded by Vice-Chair Steinhauer.

Executive Director Matthew Schuler began his report with thanking Craig Hammon for his service as an intern with the Commission. Mr. Hammon assisted several Commission divisions, including Legal, Enforcement, and Skill-Games over the years as he completed his schooling. Mr. Hammon will be moving to Capitol Square to work for the Legislative Service Commission. Mr. Schuler wished him continued success.

Next, Mr. Schuler had Rick Anthony, Deputy Executive Director provide a budget update. Mr. Anthony indicated he would have a report of the first six months of the fiscal year at the next Commission meeting. He stated that the Commission's revenue and expenses remain on track. Mr. Anthony reported a leveling out of sports gaming fee revenue will be seen moving forward now that most sports gaming applications have been received. It was noted that casino employee fees are also stabilizing.

Mr. Anthony reported that wages and benefits and equipment expenses were on track. Equipment expenses have been under, but this expenditure is expected to rise after the first of the year once Commission staff has a chance to evaluate equipment upgrades. Mr. Anthony explained that the Commission has been tasked with the management of billing and monitoring fee payments for sports gaming licensing. Fees received will be put into a holding account, and Ohio's Office of Budget and Management (OBM) will distribute the revenue, accordingly. By law, sports gaming revenue must be distributed to numerous funds, including, the sports gaming revenue fund to help cover administrative regulation costs, the sports gaming profits education fund to support interscholastic athletics and education for students in grades kindergarten through twelve, and the problem sports gaming fund to aid citizens with gambling and addiction problems. The cost to facilitate and coordinate fee management and revenue distribution is projected to be \$30 million.

Then, to alleviate any confusion, Mr. Schuler restated the universal start date (USD) for sports gaming. Uncertainty was recently created by bloggers and some sports gaming trade publications regarding the possibility of the USD changing to an earlier date. After receiving many requests and inquiries regarding the verity of this speculation, Mr. Schuler reiterated that the USD for sports gaming remains January 1, 2023. Mr. Schuler underscored that by law, the USD must be a date in which all classes of licensees are able to start equally. Despite there being some applicants that are prepared to launch earlier, Mr. Schuler

stressed that if all approved applicants could not start earlier, then, by law, the USD cannot be moved. The Commission did have discussions with approved applicants regarding their ability to launch earlier, however, it was determined the USD would need to remain January 1, 2023.

Next, Mr. Schuler provided a report on the Commission's first Notice of Opportunity for Hearing (NOH) issued to a sports gaming applicant. As part of the licensing suitability investigation, staff uncovered information regarding potential illegal gambling activity by PlayUp, a sports gaming mobile management services provider applicant. Following the discovery, staff issued an NOH to PlayUp recommending the denial of their license. As part of the proposed denial, a cease-and-desist notice was issued to PlayUp and to their technology partner, Potent Systems. Both parties have taken steps to comply with the cease-and-desist letter and PlayUp has requested a hearing regarding the proposed license denial.

Mr. Schuler explained that before any potential adverse action is taken against PlayUp, the company will have the right to a hearing and due process. Once the administrative hearing process has run its course, the Commission will ultimately vote on any action taken against PlayUp in a public meeting. In the meantime, PlayUp will not be licensed nor permitted to operate in the state of Ohio. Mr. Schuler stressed the importance of the Commission's suitability investigations and the high standards set by the General Assembly for all applicants and licensees.

Lastly, Mr. Schuler provided a report on the Commission's first Notice of Violation (NOV) issued to a sports gaming conditionally approved applicant. Mr. Schuler emphasized that all applicants and eventual licensees must continue to comply with the law. Staff was compelled to issue an NOV to Penn Sports Interactive, LLC (Penn Sports) for alleged violations of the Commission's rules against advertising on, or targeting the area of, an Ohio college or university campus, as well as its rule against targeting individuals under the age of 21. Mr. Schuler stressed that responsible gaming should be the cornerstone of any gaming business. The apparent direct promotion to college students is completely at odds with responsible gaming and the law.

The NOV recommends a \$250,000 fine and remedial measures to ensure the alleged activity does not occur in the future. All fines are deposited into the Sports Gaming Education Fund. Penn Sports has the right to a hearing and due process regarding the fine. Ultimately, the Commission will vote on any action taken against Penn Sports in a public meeting. The Commission does not take administrative action lightly and does not seek to fine or deny companies. Rather, the Commission seeks to enforce the law and ensure the integrity of gaming on behalf of the state of Ohio and its citizens.

Monica Wilcoxon, Manager of Investigations, presented to the Commission for consideration five key-employee license applications. The Licensing & Investigations Division completed background investigations of the applicants, which did not uncover any material derogatory information, and recommended approval of proposed Resolution 2022-88, granting or renewing, as applicable, key-employee licenses to: Sybille de Cartier de Marchienne, Cartamundi Group; Gregory Leonatti, Hard Rock Casino Cincinnati; Wendi McGee, Hollywood Casino Columbus; Allyson Miller, JACK Cleveland Casino;

and Alberto Toffoletto, B&D Holding S.p.A. A motion to approve the Resolution was made by Commissioner Slaby. The motion was seconded by Commissioner Brown and approved.

Berena Seifert, Manager of Skill Games, presented for consideration four new and five renewal 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 2022-89, granting or renewing, as applicable, 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 Bajoria and approved.

Anna Marin Russell, Director of Licensing and Investigations and Senior Legal Counsel, presented to the Commission for consideration nine sports gaming supplier license applications. The Division of Licensing & Investigations completed an investigation to determine that each person in control of the applicants has met the qualifications of licensure, which did not uncover any material derogatory information that would render the entities or their persons in control unsuitable or unqualified. Therefore, the Division recommended approval of proposed Resolution 2022-90, granting three-year sports gaming supplier licenses to: Genius Sports Media Inc.; Swish Analytics Ohio Inc.; Sports Information Services Limited; FansUnite Entertainment Inc.; Plannatech (USA) Corporation; Shape Games A/S; Shufti Pro Limited; White Hat Gaming Inc.; and Wright Bet Ventures LLC. A motion to approve the Resolution was made by Vice-Chair Steinhauer. The motion was seconded by Commissioner Bajoria and approved.

Then, Ms. Russell presented to the Commission for consideration sports gaming services provider license applications. The Division of Licensing & Investigations completed an investigation to determine that each person in control of the applicants has met the qualifications of licensure, which did not uncover any material derogatory information that would render the entities or their persons in control unsuitable or unqualified. Therefore, the Division recommended approval of proposed Resolution 2022-91, granting five-year sports gaming mobile management services provider (MMSP) and management services provider (MSP) licenses to: Bally's Interactive, LLC (1 MMSP, 1 MSP); Out The Gate, Inc. (1 MMSP, 1 MSP); and Underdog Sports Wagering, LLC (1 MMSP), effective January 1, 2023. A motion to approve the Resolution was made by Commissioner Lucas. The motion was seconded by Commissioner Bajoria and approved.

Next, Ms. Russell presented to the Commission for consideration a sports gaming services provider license application for Digital Gaming Corporation USA (DGC USA). The Division of Licensing & Investigations completed an investigation to determine that each entity or person in control of DGC USA had met the qualifications of licensure, which did not uncover any material derogatory information that would render the DGC USA or their holding companies or persons in control unsuitable or unqualified. Therefore, the Division recommended approval of proposed Resolution 2022-92, granting a five-year sports gaming mobile management services provider (MMSP) licenses to DGC USA, effective January 1,

2023. A motion to approve the Resolution was made by Vice-Chair Steinhauer. The motion was seconded by Commissioner Slaby and approved. Commissioner Bajoria abstained from voting on the matter.

Then, Ms. Russell presented to the Commission for consideration a Type B sports gaming proprietor license application for Lori Roadhouse, LLC (Lori). The Division of Licensing & Investigations completed an investigation of Lori to determine that each person in control of the applicant has met the qualifications of licensure, which did not uncover any material derogatory information that would render the entity or its persons in control unsuitable or unqualified. Therefore, the Division recommended approval of proposed Resolution 2022-93, granting a conditional five-year sports gaming license, effective January 1, 2023. A motion to approve the Resolution was made by Chair Taylor. The motion was seconded by Commissioner Lucas and approved.

Finally, Ms. Russell presented to the Commission for consideration a Type-C sports gaming proprietor license application for J&J Ventures Gaming of Ohio, LLC (J&J Ventures). The Division of Licensing & Investigations completed an investigation to determine that each person in control of the applicants has met the qualifications of licensure, which did not uncover any material derogatory information that would render the entities or their persons in control unsuitable or unqualified. Therefore, the Division recommended approval of proposed Resolution 2022-94, granting a conditional five-year sports gaming license to J&J Ventures, effective January 1, 2023. A motion to approve the Resolution was made by Commissioner Brown. The motion was seconded by Commissioner Bajoria and approved.

Craig Donahue, Director of Regulatory Compliance, presented to the Commission for consideration the three-year approval of BerganKDV, Ltd. (BerganKDV) and McDonald CPA Firm, P.C. (McDonald) as independent registered certified public accounting firms 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 BerganKDV and McDonald was made by Commissioner Slaby. The motion was seconded by Commissioner Brown and approved.

Andromeda Morrison, General Counsel and Director of Skill Games, presented to the Commission for consideration two casino gaming final orders:

A final order regarding the denial of casino gaming employee license applications (case nos. #2022-LIC-048, -068 — -071 & -075). Chair Taylor moved to deny the casino gaming employee license applications for the cases listed in the final order. The motion was seconded by Commissioner Brown and approved.

A final order regarding the closure of casino gaming employee license applications (case nos. #2022-LIC-050 & -076). Chair Taylor moved to close the casino gaming employee license applications for the cases listed in the final order. The motion was seconded by Vice-Chair Steinhauer and approved.

Next, Ms. Morrison presented for consideration of two skill games final orders:

A final order regarding the denial of the skill-based amusement machine license applications (case nos. #2022-SLIC-088 & -089). Chair Taylor moved to deny the skill-based amusement machine license applications for the cases listed in the final order. The motion was seconded by Commissioner Lucas and approved.

A final order regarding the revocation of skill-based amusement machine licenses (case nos. #2022-SLIC-083 — -086). Chair Taylor moved to revoke the skill-based amusement machine licenses for the cases listed in the final order. The motion was seconded by Commissioner Brown and approved.

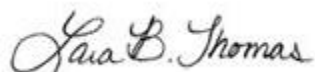
In other business, Amanda Blackford, Director of Operations and Problem Gambling Services, acknowledged and commemorated Deanna Simpson, for her service to the Commission and the citizens of the State of Ohio. Ms. Simpson joined the Commission as an office manager for the Commission's Cincinnati office in 2013, and is the Commission's longest standing public employee, having served the State of Ohio for over 30 years. Ms. Simpson assisted with a variety of projects and served as a mentor and friend to many at the agency. Ms. Simpson will begin her retirement with a well-earned cruise.

Next, Mr. Schuler acknowledged and commemorated William Cox, for his service to both the Commission and the citizens of the State of Ohio. Mr. Cox joined the Commission, first as a legal intern and it was clear he was talented, so he was promptly hired to be a permanent part of the Legal Division, following his internship, as Assistant General Counsel. Thereafter, he was promoted to Senior Legal Counsel and then Deputy General Counsel. During his time, he has been integral in molding a regulatory framework for skill-based amusement machines, fantasy contests, and sports gaming. If his fountain of knowledge and cleverness were not enough, Mr. Cox promotes a culture that makes all employees feel welcomed and valued. He has been indispensable throughout his time with the Commission, and his great work will continue to aid the Commission for years to come. Mr. Cox will continue his sincere commitment to serve the citizens of Ohio, as Deputy General Counsel for the Ohio Senate.

Chair Taylor moved to adopt Resolutions 2022-95 and 2022-96 commemorating Ms. Simpson's and Mr. Cox's dedication to the Commission and the citizens of the State of Ohio. The motion was seconded by Vice-Chair Steinhauer and approved.

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

Signed,



Lara B. Thomas

Commission Secretary

Approved: January 18, 2023