

**OHIO CASINO CONTROL COMMISSION  
MEETING MINUTES**

**10 A.M. – July 20, 2011  
RIFFE CENTER, 77 SOUTH HIGH STREET  
31st FLOOR, SOUTH B AND C  
COLUMBUS, OH 43215**

The meeting was called to order at 10:10 a.m. by Chairman Jo Ann Davidson. Commissioners McKinley Brown, Martin Hoke, Peter Silverman, Ranjan Manoranjan, John Steinhauer and June Taylor were in attendance. The minutes of the July 6, 2011 meeting were approved.

A motion to modify the earlier approved language requesting an opinion from the Attorney General's office was made by Commissioner Hoke, seconded by Commissioner Manoranjan and approved. The revised question to be submitted is: "Does a lender that enforces a security interest in the real property that is a Casino Facility, as defined in Section 3772.01 (C), or in the buildings, structures and/or non-gaming personal property located within the boundary of a Casino Facility, become a Casino Operator as defined in Section 3772.01 (F) if the lender is legally or contractually restricted from conducting casino gaming?"

Chairman Davidson reported that Spectrum Gaming Group personnel are reviewing the Law Enforcement analysis and a draft report is expected August 1 so that decisions can be made in the next few weeks. Blueprint review for the Toledo and Cleveland properties will be accomplished with Spectrum's help and is expected early August. A regular status update on the casino sites has been requested by Commission members and will be added to the schedule the first meeting of each month.

The Commission continued the review of the Code of Conduct which began at the July 6 meeting. Susan Choe from the Attorney General's office and Paul Nick, Director of the Ohio Ethics Commission, reviewed the document for Commission members and will look into concerns raised regarding investment issues, the definitions of "affiliation" and "honoraria", financial disclosure statements and how a ban on ex parte communications would affect Commission business. The Commission hopes to wrap up work on the Code of Conduct at the August 3 meeting.

Jim Baldacci, Deputy Chief Compliance Officer of Penn National Gaming, presented the organization's Responsible Gaming Corporate Policy and Programs. Mr. Baldacci's presentation reviewed Penn National's efforts to ensure responsible gaming by dealing with problem/compulsive gambling, responsible alcohol service, unattended minors and underage gambling, as well as their Code of Conduct for Responsible Gaming. He indicated that two percent of the thirty-three percent tax will be used for programs to deal with gambling issues in Ohio—an estimated \$10-12 million annually.

Commission members asked questions regarding the number of unattended minors and how that issue is handled, how gambling issues are reported to senior management and whether or not they would be shared with Commission members and advertising campaigns for gambling issues compared to aggressive anti-tobacco and alcohol campaigns.

The Commission reviewed additional changes to the Application for a Casino Operator, Management Company, or Holding Company License dated 7-20-2011. Items to be changed/clarified include who is to complete the application, the definition of operator, disclosure of key employees making over \$150,000. A motion was made by Commissioner Silverman to approve a Resolution for the approval of the Application for a Casino Operator, Management Company, or Holding Company License dated 7-20-2011 with the following conditions: 1) Spectrum Gaming Group's review of the application form and Chairman Davidson's approval of any proposed changes to the form, and 2) Chairman Davidson's approval of

modifications to the Operator License Application form to specify that personal financial information with respect to principals and other employees earning over \$150,000 shall be requested on the key employee license application form, rather than on the operator license application form. The motion was seconded by Commissioner Hoke and approved by the Commission.

Chairman Davidson introduced representatives of Moelis & Company who have been asked to assist in reviewing the debt transaction: Augusto Sasso, Managing Director, Head of Gaming and Lodging; David Felman, Vice President, Gaming and Lodging; Jason Warsavsky, Associate, Gaming and Lodging; and Spencer Friedman, Intern. Steven Ingis, Director of Legal and Regulatory Services, and Sandy Greenberg, representing Spectrum Gaming, were also introduced.

Representatives of Rock Ohio Caesars LLC (Eric Hession, Vice President of Finance and Treasurer and Michael Cohen, Vice President and Corporate Secretary with Caesars Entertainment Corp., Brian M. Hermelin, Principal with Rockbridge Growth Equity, Lynne Kaufman, Attorney with Cooper Levinson and Ryan Sullivan, Director of Business Development with Rock Gaming) presented information pertinent to consideration of a request for approval of the debt transaction rule. It was noted that because of federal securities law, they are unable to make a general solicitation or speak on specifics. They need to close the FF&E loan (furniture, fixtures and equipment) deal by August 12 to be able to open the facility by their targeted opening date. It was noted that research needs to be completed regarding the state's ability to recover tax funds. Chairman Davidson agreed to let Rock Ohio Caesars know whether or not the Commission would need to hold a special session on August 10 in order to accommodate their deadline or whether approval could be scheduled for the August 3 meeting.

Sam Kirk of the Attorney General's staff reviewed the Surveillance Standards dated 7-19-2011. Several areas of concern were to be reviewed with Spectrum Gaming Group.

Although the Key Employee License Application was not reviewed, Sam Kirk from the Attorney General's office completed the first review of the Key Employee License Rule dated 7-20-2011. On the background check issue, it was noted by Carla Tricarichi of the Ohio Lottery Commission that they would like reciprocity on background checks in an effort to share costs.

Susan Choe of the Attorney General's staff reviewed the Debt Transaction Rule dated 7-5-2011. The Commission asked for clarifications on a number of issues.

The Commission discussed items on the Timeline and what needs to be accomplished in the next 30-45 days and the need to expand Spectrum Gaming Group's involvement to relieve the Attorney General's staff. A motion was made by Commissioner Silverman, seconded by Commissioner Brown and approved by the Commission to authorize Chairman Davidson to move ahead with retaining additional scope of services to accomplish tasks due in the next 45 days.

The Commission heard public comment from Carl Cardi, President of CVC Limited I LLC, CoolWire, 56 North Fifth Street, Zanesville, OH 43701. After hearing Mr. Cardi's presentation, Hilary Damasara from the Attorney General's office indicated that she would look into fire and building code issues further to guide Mr. Cardi to the correct government agency.

The meeting was adjourned at 3:40 p.m. following a motion from Commissioner Silverman, seconded by Commissioner Brown, and approved by the Commission.