

OHIO CASINO CONTROL COMMISSION
MEETING MINUTES

10:00 A.M. – NOVEMBER 2, 2011
RIFFE CENTER, 77 SOUTH HIGH STREET
31ST FLOOR, SOUTH B AND C
COLUMBUS, OHIO 43215

The meeting was called to order at 10:15 a.m. by Chair Jo Ann Davidson. Commissioners McKinley Brown, Ranjan Manoranjan, John Steinhauer, Peter Silverman, and June Taylor were in attendance. Commissioner Hoke had an excused absence. The minutes of the October 19, 2011 meeting were approved on a motion by Commissioner Brown and seconded by Commissioner Manoranjan.

A progress report on the Horseshoe Casino Cleveland, was made by Marcus Glover, General Manager. Mr. Glover expressed appreciation to Commissioners for recent visits to the Casino facility. The exterior construction is on schedule for an expected opening for the casino in Spring 2012. Job postings for the casino have been online, and over 12,000 applications had been received for approximately 500 positions. After review of the initial registration of possible vendors, 150-200 vendors were invited to meet with buyers for the Casino. The RFP process for vendors will begin soon. Commissioner Steinhauer asked about the inclusion of local vendors. Mr. Glover responded that some things cannot be locally sourced, but as much as is possible will be purchased locally.

Kevin Kline presented a progress report for Horseshoe Casino Cincinnati, noting that the construction is a bit ahead of the date by which the facility will be enclosed. A Spring 2013 opening is anticipated. They currently have 26% minority employment among their nearly 200 workers on site. General recruitment for employees will begin in the last half of 2012. Chair Davidson said that these progress reports will be posted on the Casino Control Commission's web site.

Executive Director Matt Schuler introduced Christopher Storcella as the new Director of Licensing & Investigation, highlighting Mr. Storcella's length of experience with the New Jersey Casino Control Commission. He also announced the hiring of Patrick Martin, who will serve as the Director of Regulatory Compliance for the Commission. Mr. Schuler then presented a budget update. The Commission was reminded that the Office of Budget and Management made transfers of funds to get the OCCC started, and those funds will have to be paid back. Application fees filed by operators and key employees will soon be available to support Commission operations. In formulating a budget, a long-range look was the goal, but the Commission will probably have about \$8 million to be re-paid to the State's GRF after it becomes self-supporting.

Commissioner Silverman said it will be helpful for the Commission to have its own budget, and he requested an income statement, balance sheet, budget targets, and cash flow monitoring. Chair Davidson asked for a report at the next meeting showing actual and proposed expenditures for the next fiscal year until a revenue stream has begun.

Rick Anthony, Commission staff, reported on the licensing of casino operators, gaming-related vendors, and their key employees. The applications for these licenses are now online. The license application and accompanying online payment system are secure with payments able to be made directly to the Treasurer of State. Fingerprint kits for out-of-state license applicants are being supplied as they are requested. The casino employee application process is being developed and will include an on-site application process for the Cleveland and Toledo casinos.

Fred Gushin (Spectrum Gaming) reported that meetings had been held with gaming-related vendors interested in applying for an Ohio license, and applications are expected within the next week, with investigations to follow.

The Scope of Licensing issues were reviewed for the Commission by Steven Ingis (Spectrum Gaming). Filings have been received from two trusts affiliated with Penn National, and a November 3rd filing is anticipated for Fortress Investment Group. There has been no filing from Nomura Holdings. Noting the Commission had set a November 4 deadline for filings from Rock Ohio Caesars, Mr. Ingis reported the receipt of information from three Lakes entities and six individuals. Additional required filings for ROC are expected by November 5 with extensions requested for others. Brian Carney, representing Apollo, thanked the Commission for their hard work to facilitate licensing and said Apollo and TPG will be filing application forms for seven required entities on November 5. For those individuals required to file, they are requesting an extension until November 11 due to the complexity of the applications. The Chair expressed concern about whether the delayed applications would impact the timetable for suitability reviews. The information received should meet this requirement. She clarified that an extension from November 4 to November 11 is being requested and asked for a motion to grant this deadline extension. Commissioner Steinhauer made such a motion, seconded by Commissioner Brown and the motion was approved.

Lynne Kaufman, representing Rock Ohio Caesars, explained that it intends to file and will have most of the applications in by November 4' but due to restructuring within the company, there will be changes as to who meets the qualifying percentage ownership. She requested a one week extension, to November 11, for these applicants. Commissioner Steinhauer made a motion to grant this extension, Commissioner Taylor seconded and the motion was approved.

Representing Penn National, John Oberle reported that Nomura Holdings has been notified of the requirements but limited response has been received. The Chair stressed the importance of the applications being concluded so that investigations can proceed.

Sam Kirk (Attorney General's Office), reviewed proposed Casino Operator and Management Company License Rules. The Chair suggested that consideration be delayed until the next meeting to give Commissioners time to review the rules.

The Chair asked Mr. Gushin whether action was required on a Scope of Services for gaming vendor investigations to be submitted by Spectrum Gaming. Spectrum will submit specific budget amounts by November 7 and be ready to proceed when the budget is approved. A motion was made by Commission Manoranjan to authorize the Scope of Services contingent upon the Executive Director's review of the specifics. The motion was seconded by Commissioner Taylor and approved. Commissioner Silverman expressed hope that the Executive Director would eventually request directly.

Spectrum Gaming is drafting a short form, similar to those used by other gaming authorities, that might be used in lieu of the multi-jurisdictional form for certain key employee licenses.

The Chair reported that thirty new Administrative Rules are being drafted and will be submitted for comment upon completion.

At this point the Chair made a motion to continue the meeting in Executive Session for the discussion of pending litigation, *Walgate v Kasich*. Commissioner Taylor seconded and a roll call vote was taken. The vote being 6-0, the Commission moved into Executive Session at 11:45 a.m. The Commission reconvened at 12:45 p.m. at the conclusion of the executive session, and the meeting was adjourned.

Signed: Katherine L. Kelly, Commission Clerk
Approved: November 16, 2011