

OHIO CASINO CONTROL COMMISSION

RESOLUTION 2020-02

CONSIDERATION OF JACK INVESTMENT CO., LLC'S SUITABILITY AS A HOLDING COMPANY OF JACK CLEVELAND CASINO LLC

WHEREAS, Article XV, Section 6(C)(4) of the Ohio Constitution created the Ohio Casino Control Commission ("Commission") to ensure the integrity of casino gaming by, among other things, licensing and regulating all gaming authorized by Article XV, Section 6(C) of the Ohio Constitution;

WHEREAS, R.C. 3772.09(A) prohibits a casino operator from conducting or participating in conducting casino gaming without being licensed by the Commission;

WHEREAS, R.C. 3772.091(A) authorizes the Commission to reopen a licensing investigation at any time;

WHEREAS, R.C. 3772.10(A) mandates that the Commission consider all of the following, as applicable, when determining whether to grant or maintain the privilege of a license:

- (A) The reputation, experience, and financial integrity of the applicant, its holding company, and any other person that directly or indirectly controls the applicant;
- (B) The financial ability of the applicant to purchase and maintain adequate liability and casualty insurance and to provide an adequate surety bond;
- (C) The past and present compliance of the applicant and its affiliates or affiliated companies with casino-related licensing requirements in the state of Ohio or any other jurisdiction, including whether the applicant has a history of noncompliance with the casino-licensing requirements of any jurisdiction;
- (D) Whether the applicant has been indicted, convicted, pleaded guilty or no contest, or forfeited bail concerning any criminal offense under the laws of any jurisdiction, either felony or misdemeanor, not including traffic violations;
- (E) Whether the applicant has filed, or had filed against it, a proceeding for bankruptcy or has ever been involved in any formal process to adjust, defer, suspend, or otherwise work out the payment of any debt;

- (F) Whether the applicant has been served with a complaint or other notice filed with any public body regarding payment of any tax required under federal, state, or local law that has been delinquent for 1 or more years;
- (G) Whether the applicant is or has been a defendant in litigation involving its business practices;
- (H) Whether awarding a license would undermine the public's confidence in the casino-gaming industry in the state of Ohio; and
- (I) Whether the applicant meets other standards for the issuance of a license that the Commission adopts by rule, which is not arbitrary, capricious, or contradictory to the expressed provisions of R.C. Chapter 3772;

WHEREAS, R.C. 3772.11(B) requires a holding company to submit the same information as required by a casino operator—i.e., a Casino Operator and Management Company License Application and Holding Company Form (“Form”);

WHEREAS, on April 18, 2018, the Commission adopted Resolution 2018-15, which found JACK Cleveland Casino LLC and the holding companies listed on Exhibit A (collectively, “JACK”) suitable as well as renewed the former's casino-operator license for a period not to exceed 3 years, effective upon expiration of the previous license;

WHEREAS, JACK later notified the Commission of an intention to add a newly formed entity, JACK Investment Co., LLC, as a holding company of JACK Cleveland Casino and sought Commission approval to effectuate this change;

WHEREAS, on December 19, 2019, JACK Investment Co. submitted the Form in accordance with R.C. 3772.11 and Ohio Adm.Code 3772-4-01 through 3772-4-05, and the Commission reopened its licensing investigation of JACK Cleveland Casino for purposes of determining what impact, if any, this proposed change would have on the licensee's suitability;

WHEREAS, the Commission's Division of Licensing and Investigations (“Division”) reviewed the Form and other materials and information and conducted a thorough suitability investigation;

WHEREAS, the Division prepared a report to the members of the Commission, dated January 8, 2020, captioned *Suitability Investigation of JACK Investment Co., LLC, as a Holding Company of JACK Cleveland Casino LLC* (“Report”);

WHEREAS, the Report concludes that based upon the investigation, no material derogatory information that adversely impacts JACK Investment Co.'s suitability or that of the licensee, JACK Cleveland Casino, was uncovered;

WHEREAS, the Division recommends that the Commission find JACK Investment Co. suitable and approve it as a holding company of JACK Cleveland Casino;

WHEREAS, the Commission has reviewed the Report and considered the matter at its public meeting held on January 15, 2020.

NOW, THEREFORE, BE IT RESOLVED by the Commission that JACK Investment Co. is **SUITABLE** and **APPROVED** as a holding company of JACK Cleveland Casino, subject to the following:

- (A) As a condition precedent, JACK must effectuate all related transactions in a substantially similar form and without any material or substantial changes to the information provided in support thereof, as determined by the Commission, no later than March 18, 2020; if a related transaction closes in a substantially different form or with one or more material or substantial changes, as determined by the Commission, or does not close by March 18, 2020, this action is null and void, unless further approved by the Commission;
- (B) JACK must provide the Commission with executed copies of all related documents within 10 days of execution; and
- (C) Compliance with R.C. Chapter 3772, Ohio Adm.Code 3772, and the conditions set forth in Resolution 2018-15, as applicable to the other holding companies listed therein.

BE IT FURTHER RESOLVED that Resolution 2020-02 does not in any way affect, negate, or otherwise absolve JACK Investment Co. from its duties to update information in accordance with Ohio Adm.Code 3772-4-09.

BE IT FURTHER RESOLVED that Resolution 2020-02 does not restrict or limit the Commission's future exercise of authority and discretion with respect to requesting additional information from or imposing additional conditions or taking further action upon JACK Investment Co. or affiliated corporate entities under R.C. Chapter 3772 and the rules adopted thereunder.

Adopted: January 15, 2020