

**BEFORE THE CASINO CONTROL COMMISSION
STATE OF OHIO**

IN THE MATTER OF	:	
	:	Case No. 2017-REG-004
JACK Cincinnati Casino LLC	:	
USE AND INACCURATE REPORTING OF	:	
THE ELECTRONIC GAMING EQUIPMENT	:	
INVENTORY LIST AND USE OF UNAPPROVED	:	
SOFTWARE CONFIGURATIONS	:	

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between JACK Cincinnati Casino LLC ("JCI") and the Ohio Casino Control Commission ("Commission") for the purpose of resolving Commission Case No. 2017-REG-004. Together, JCI and the Commission are referred to as "the parties."

WHEREAS, the Commission is responsible for the administration and enforcement of R.C. Chapter 3772 and the rules adopted thereunder, which regulate the conduct of casino gaming in the State of Ohio;

WHEREAS, JCI is a Casino Operator Licensee that owns and operates the JACK Cincinnati Casino;

WHEREAS, the Commission, pursuant to its authority to regulate, investigate, and penalize casino operators and management companies, discovered violations of Ohio law and JCI's Commission-approved internal controls during the course of normal daily operations at JCI's facility;

WHEREAS, as a result of these violations, the Commission issued a Notice of Violation and Opportunity for Hearing ("Notice"), dated December 6, 2017, to JCI, pursuant to and in accordance with R.C. Chapters 119 and 3772 and Ohio Adm. Code Chapters 3772-21 and 3772-22;

WHEREAS, in response to the Notice, JCI submitted a letter, dated January 5, 2018, to the Commission wherein JCI acknowledged receipt of the Notice and timely requested a hearing pursuant to R.C. 119.07 and 3772.04;

WHEREAS, the Commission procedurally complied with R.C. Chapters 119 and 3772 and established jurisdiction over this matter; and

WHEREAS, Commission Case No. 2017-REG-004 has not yet been brought before the Commission for final adjudication, as required by R.C. Chapters 119 and 3772, and the parties enter this Agreement in lieu of issuance of a final adjudicatory order by the Commission.

NOW THEREFORE, in consideration of the mutual promises expressed herein, and with intent to be legally bound, the parties **AGREE** as follows:

1. JCI makes the following admissions:

A. During the course of normal daily operations at JCI's facility, Commission staff discovered practices that violated Ohio law.

B. As a result, the Commission issued the Notice, providing JCI with an opportunity for a hearing to contest the allegations contained therein.

C. JCI submitted a letter, dated January 5, 2018, to the Commission wherein JCI acknowledged receipt of the Notice and requested a hearing on the allegations contained therein.

D. Inaccurate Electronic Gaming Equipment Inventory List Violations

i. By failing to timely re-verify 620 slot machines through the Game Authentication Terminal as requested by the Commission in January 2017, JCI violated Ohio Adm. Code 3772-9-06(B), thereby acting outside the scope of operation authorized by the Commission.

ii. By maintaining and submitting to the Commission an inaccurate Slot Machine Master List for more than seven months, JCI violated Ohio Adm. Code 3772-9-06(B), thereby acting outside the scope of operation authorized by the Commission.

E. Unapproved Software Configuration Violations

By operating 35 slot machines with unapproved software configurations, JCI violated R.C. 3772.20, thereby acting outside the scope of operation authorized by the Commission.

F. Preemptive Remedial Measures

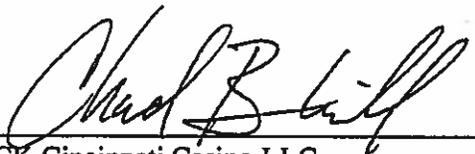
After learning about the violations but before receiving the Notice, JCI took proactive measures to ensure such violations would not occur in the future.

- i. JCI added a new position called the Vice President of Operations, which has direct oversight of the Slot Director, Slot Tech Manager, and the entire slot department, to promote compliance with applicable laws, policies, procedures, and Commission-approved internal controls including the maintenance of an accurate Slot Machine Master List and the use of approved software configurations.
 - ii. JCI's executive management team now routinely reviews electronic gaming equipment data to ensure that it is accurate and current.
2. Pursuant to this Agreement, Commission Case No. 2017-REG-004 is **ADMINISTRATIVELY CLOSED**. Accordingly, the Commission makes no specific findings regarding the allegations described in the Notice.
3. The admissions contained in Paragraph 1 of this Agreement by itself will not be a basis for future action against JCI, except as set forth in Paragraph 4 of this Agreement. The Commission makes no further statements or representations with respect to the admissions referenced herein or JCI's compliance with Ohio law.
4. Nothing in this Agreement precludes the Commission from investigating and prosecuting JCI for violations of or non-compliance with this Agreement or for separate violations of or non-compliance with R.C. Chapter 3772 or the rules adopted thereunder, or limits the Commission's exercise of authority and discretion with respect to imposing additional conditions upon or taking further action against JCI under R.C. Chapter 3772 and the rules adopted thereunder for matters not contemplated herein.
5. JCI will pay a monetary fine in the amount of \$40,000.00.
6. JCI will develop special remedial training of all laws, policies, procedures, and Commission-approved internal controls relevant to each employee's individual function, as it relates to the admissions in Paragraph 1, as described and required by Ohio Adm. Code 3772-10-03(C).
7. Upon the date of the last signature of all requisite parties and individuals, this Agreement is effective and binding upon the parties and any and all successors, assigns, subsidiaries, agents, employees, or representatives of the parties or any other affiliates.
8. The parties have read and understand this Agreement and have entered into the same knowingly, voluntarily, and with the opportunity to gain advice of counsel.
9. This Agreement is entered into by the parties and may be executed in counterparts or facsimiles, each of which shall be deemed an original and all of which shall constitute the same instrument.

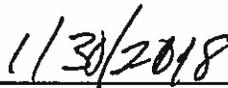
10. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and understanding, oral or written, with respect to such matters. This Agreement may be modified only by a further writing that is duly executed by the parties.
11. If any provision in this Agreement is found or held to be invalid, or unenforceable, the meaning of said provision will be construed to the extent feasible, so as to render the provision enforceable, and if no feasible interpretation shall save such provision, it will be severed from the remainder of this Agreement. The remainder of this Agreement shall remain in full force and effect unless the severed provision is essential and material to the rights or benefits received by any of the parties.
12. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio and the exclusive venue for any cause of action arising here from shall be a court of competent jurisdiction in the State of Ohio, County of Franklin.

IN WITNESS WHEREOF, the parties to this **SETTLEMENT AGREEMENT** have either executed it or caused it to be executed by their duly authorized representatives:

Accepted by:



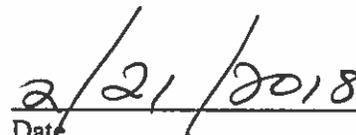
JACK Cincinnati Casino LLC
By: Chad Barnhill, General Manager



Date



Ohio Casino Control Commission
By: June E. Taylor, Chair



Date