

OHIO CASINO CONTROL COMMISSION  
MEETING MINUTES  
10:00 A.M. – June 20, 2018  
RHODES TOWER, LOBBY HEARING ROOM  
30 W. BROAD STREET  
COLUMBUS, OHIO 43215

The regular meeting of the Ohio Casino Control Commission (Commission) was called to order at 10:00 a.m. by Chair Taylor. Commissioners Jo Ann Davidson, Will Lucas, Ranjan Manoranjan, Lynn Slaby, and John Steinhauer were also in attendance. Commissioner McKinley Brown had an excused absence. The minutes of the May 16, 2018 meeting were approved following a motion by Commissioner Slaby and seconded by Commissioner Davidson.

Executive Director Matthew Schuler began his report with Rick Anthony, Deputy Executive Director and Director of Operations, providing a budget update. Mr. Anthony reported revenue was on target for the total fiscal year estimate. Gaming and key employee fees were reported to be a little below estimates. Purchased personal services and equipment were above estimates due to the move to Chase Tower, however, other categories were below estimates. A full report on fiscal year (FY) 18 and FY19 estimates will be presented at next month's meeting, including salary adjustments due to consolidation and cost-of-living increases. Mr. Anthony reported the Office of Collective Bargaining and the OCSEA Union had recently completed their negotiations, which included a cost-of-living increase for all pay ranges covered under the OCSEA contract.

Maria Saliaris, Human Resources Administrator, explained that the Governor had recently signed parity language included in HB 292 for exempt employees paid in accordance with the E-1 and E-2 pay schedules under Ohio R.C. 124.152. Each pay schedule will be increased over the next three fiscal years. A 2.75% cost-of-living increase each year for FY19 and 20, and a 3% cost-of-living increase for FY21. Mr. Schuler, per his authority as the Executive Director, has approved these cost-of-living increases for staff that are not currently under the E-1 pay scale. These pay increases will go into effect the pay period that includes July 1 in FY19, 20, and 21. To effectuate the same for the Executive Director, Ms. Saliaris explained that the Commissioners would be required to approve the cost-of-living increases for FY19, 20, and 21. A motion to approve the 2.75% cost-of-living increases for FY19 and 20, and the 3% cost-of-living increase for FY 21 for the Executive Director, was made by Chair Taylor. The motion was seconded by Commissioner Davidson and approved.

The Penn National Gaming, Inc. (Penn) acquisition update portion of Mr. Schuler's report was moved to the end of the agenda.

Anna Marin Russell, Manager of Investigations and Senior Legal Counsel, presented to the Commission for consideration, Key Employee license applications for six individuals. The Division of Licensing and Investigations completed background investigations of the applicants and recommended approval of Commission Resolution 2018-24, granting three-year key employee licenses to Harper Ko, Everi Holdings, Inc.; Myra McCool, JACK Cincinnati Casino; and Perry Montesi, JACK Cleveland Casino, and renewing three-

year key employee licenses to Edward Peters, Everi Holdings, Inc.; Robert Kosier, Hollywood Casino Columbus; and Jane Scaccetti, Penn National Gaming, Inc. A motion to approve the Resolution was made by Commissioner Slaby. The motion was seconded by Commissioner Manoranjan and approved.

Amanda Blackford, Manager of Problem Gambling, presented to the Commission for consideration initial approval of proposed amendments to existing rules 3772-12-01, -02, -03, -04, -05, and -06, as well as initial approval of rule 3772-12-07. All of the rules concern the voluntary exclusion program. Recently, the Ohio Lottery Commission (Lottery) was provided with language that would allow the Lottery to keep the information of individuals participating in a voluntary exclusion confidential. This statutory change led to collaboration between the Commission and the Lottery to propose a joint statewide Ohio voluntary exclusion program (Ohio VEP). The Ohio VEP will allow an individual to sign up at one location and exclude themselves from all eleven casino and video lottery terminal facilities. Additionally, these amendments provide a treatment-laden path for individuals to remove themselves from the lifetime exclusion after five years. These changes were reported to have the support of professionals in both the problem gambling prevention and treatment communities. A motion to adopt the amendments was made by Commissioner Steinhauer. The motion was seconded by Commissioner Manoranjan and approved.

Next, Christopher Fleenor, Manager of Compliance and Gaming, presented to the Commission for consideration proposed amendments to existing rules 3772-10-01, -29, 3772-11-18, -19, and -25, for initial approval. A motion to adopt the amendments was made by Commissioner Davidson. The motion was seconded by Commissioner Lucas and approved.

Craig Donahue, Manager of Compliance and Auditing, presented to the Commission for their consideration, the approval of Ernst & Young, LLP (Ernst) as JACK Ohio, LLC's (JACK) independent registered certified public accounting firm for the purposes of preparing the required annual audited financial statement. Commissioner Slaby made a motion to approve Ernst as the accounting firm for JACK. The motion was seconded by Commissioner Lucas and approved.

Chelsea Castle, Audit Supervisor, presented to the Commission for their consideration, joint amendments to Internal Controls for JACK Cincinnati Casino (JCI) and JACK Cleveland Casino (JCL). JCI and JCL had requested changes to their Accounting plan, to bring efficiencies to the internal control process. Both JCI and JCL will share one accounting internal control document. All future changes to the plan will be effective for both casinos. Additionally, the plan was simplified by removing language that was copied from the Commission's administrative rules. Commission staff reviewed the requested changes and recommended approval. Commissioner Steinhauer made a motion to approve the proposed changes for JCI and JCL. The motion was seconded by Commissioner Slaby and approved.

Next, Ms. Castle presented joint amendments to Internal Controls for Hollywood Casino Columbus (HCO) and Hollywood Casino Toledo (HCT). HCO and HCT requested changes to their Slot, Table Games, Accounting, and Security plans. Both HCO and HCT will share one internal control document for each of these plans. All future changes to the plans will be effective for both casinos. Additionally, the plans have been simplified by removing language that was copied from the Commission's administrative rules. Commission staff reviewed

the requested changes and recommended approval. Commissioner Lucas made a motion to approve the proposed changes for HCO and HCT. The motion was seconded by Commissioner Davidson and approved.

Next, Matt Oyster, General Counsel and Director of Licensing and Investigations, presented to the Commission a final order for consideration:

In re: Timothy Muccino (case #2018-LIC-007). Commissioner Taylor made a motion to deny the CGE License Application for Timothy Muccino. The motion was seconded by Commissioner Slaby and approved.

In other business, Mr. Himbert Sinopoli, General Manager of Hollywood Casino Columbus, was present and introduced his replacement, Jason Birney, to the Commission.

Next, Mr. Schuler resumed his report and recognized Penn representatives, Frank Donahue, Vice President of Regulatory Affairs and Chief Compliance Officer; Carl Sottosanti, Executive Vice President, General Counsel and Secretary; and BJ Fair, Executive Vice President and Chief Financial Officer, to provide the Commissioners with an update regarding Penn's acquisition of Pinnacle Entertainment, Inc. (Pinnacle). The acquisition deal will allow Penn to acquire 11 of the 15 Pinnacle properties, the rest of which will go to Boyd Gaming Corporation. Mr. Sottosanti stated shareholders overwhelmingly approved the acquisition, and that post-closing, Penn foresees a stronger and greater cash flow. The Commissioners had questions related to the acquisition that were confidential in nature.

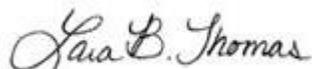
Accordingly, Chair Taylor made the following motion: "The material terms of Penn National Gaming, Inc.'s pending corporate and financial restructurings contain matters required to be kept confidential by state statute. In particular, discussion of these terms requires consideration of financial and trade-secret information that is deemed confidential under R.C. 3772.16(A)(9) and (12), respectively. Accordingly, I move to go into executive session pursuant to R.C. 121.22(G)(5)." The motion was seconded by Commissioner Steinhauer and adopted by a roll call vote of 6-0.

The Commission moved into Executive Session at 10:45 a.m.

The regular meeting of the Commission resumed at 11:41 a.m.

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

Signed,

A handwritten signature in cursive script that reads "Lara B. Thomas".

Lara B. Thomas

Commission Secretary

Approved: July 18, 2018