

OHIO CASINO CONTROL COMMISSION

RESOLUTION 2012-67

CONSIDERATION OF THE APPLICATION OF ATLANTIC CITY COIN & SLOT SERVICE COMPANY INC. FOR A GAMING-RELATED VENDOR LICENSE

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, among others, any gaming-related vendor or key employee thereof from conducting or participating in conducting casino gaming without first being licensed by the Commission;

WHEREAS, R.C. 3772.10(B) requires, among others, gaming-related vendors and key employees thereof seeking licensure under R.C. Chapter 3772 to establish their suitability by clear and convincing evidence;

WHEREAS, R.C. 3772.12(A) and A.C. 3772-6-02(A) require any gaming-related vendor seeking licensure to submit, under oath, a Gaming-Related Vendor License Application;

WHEREAS, R.C. 3772.121 and A.C. 3772-6 authorize the Commission to issue gaming-related vendor licenses to applicants after the Commission determines that the applicants are eligible for licensure and have paid all applicable fees;

WHEREAS, a gaming-related vendor license applicant is eligible for licensure upon meeting the following criteria:

- (A) Submission of a true and complete Gaming-Related Vendor License Application, as required by R.C. 3772.10(C) and 3772.12(A) and A.C. 3772-6-02(A);
- (B) Payment of the nonrefundable application fee of \$10,000.00, as required by R.C. 3772.17(C) and A.C. 3772-6-03(A), and all fees necessary to cover the costs of the background investigation in excess of the application fee set forth by A.C. 3772-6-03(A), if any;
- (C) Submission, on a form provided by the Commission, of two sets of the applicant’s fingerprints, as required by R.C. 3772.121(A)(3), if applicable;
- (D) Reimbursement of the costs for the criminal records check, as required by R.C. 3772.07 and 3772.121(A)(2), if applicable;

- (E) Not having been convicted of or pled guilty or no contest to a disqualifying offense, as defined and required by R.C. 3772.07; and
- (F) Otherwise is suitable for licensure, as required by R.C. 3772.10(B) and (C);

WHEREAS, R.C. 3772.03(D)(5) mandates that the Commission adopt rules prescribing the minimum amount of insurance that must be maintained by, among others, gaming-related vendors;

WHEREAS, A.C. 3772-7-01(A) requires, among others, gaming-related vendor licensees to obtain and maintain the following types of insurance in minimum amounts determined by the Commission:

- (A) Liability;
- (B) Casualty;
- (C) Fire;
- (D) Theft;
- (E) Worker's compensation; and
- (F) Any other type of insurance the Commission deems necessary to ensure the licensee is adequately insured;

WHEREAS, R.C. 3772.13(B) and A.C. 3772-5-02(A) require any gaming-related vendor key employee seeking licensure to submit a Key Employee License Application;

WHEREAS, R.C. 3772.13 and A.C. 3772-5 authorize the Commission to issue provisional and plenary key employee licenses to applicants after the Commission determines that the applicants are eligible for licensure and have paid all applicable fees;

WHEREAS, a key employee license applicant is eligible for provisional licensure upon meeting the following criteria:

- (A) Being at least 21 years of age, as required by R.C. 3772.13(C);
- (B) Submission of a true and complete Key Employee License Application, as required by R.C. 3772.03(D)(15), 3772.10(C), and 3772.131(D) and A.C. 3772-5-02(F);
- (C) Being compliant under an instant background check, as required by R.C. 3772.03(D)(15);

- (D) Payment of the nonrefundable application fee of \$2,000.00, as required by R.C. 3772.03(D)(15), 3772.13(E), and 3772.17(D) and A.C. 3772-5-03(A), and all fees necessary to cover the cost of the background investigation in excess of the application fee set forth by A.C. 3772-5-03(A), as required by R.C. 3772.17(D) and A.C. 3772-5-03(B), if any;
- (E) Demonstration of the existence of exigent circumstances, as required by R.C. 3772.03(D)(15) and A.C. 3772-5-02(F); and
- (F) Not having been convicted of or pled guilty or no contest to a disqualifying offense, as defined and required by R.C. 3772.07;

WHEREAS, a key employee license applicant is eligible for plenary licensure upon meeting the following criteria:

- (A) Being at least 21 years of age, as required by R.C. 3772.13(C);
- (B) Submission of a true and complete Key Employee License Application, as required by R.C. 3772.10(C) and 3772.131(D) and A.C. 3772-6-02(A);
- (C) Submission, on a form provided by the Commission, of two sets of the applicant's fingerprints and a photograph, as required by R.C. 3772.13(E);
- (D) Payment of the nonrefundable application fee of \$2,000.00, as required by R.C. 3772.13(E) and 3772.17(D) and A.C. 3772-5-03(A), and all fees necessary to cover the cost of the background investigation in excess of the application fee set forth by A.C. 3772-5-03(A), if any;
- (E) Reimbursement of the costs for the background check, including the criminal records check, as required by R.C. 3772.07 and 3772.13(E);
- (F) Not having been convicted of or pled guilty or no contest to a disqualifying offense, as defined and required by R.C. 3772.07; and
- (G) Otherwise is suitable for licensure, as required by R.C. 3772.10(B) and (C);

WHEREAS, on or about December 22, 2011, Atlantic City Coin & Slot Service Co. ("ACS") submitted an application for licensure as a gaming-related vendor to the Commission in accordance with R.C. 3772.12(A) and A.C. 3772-6-02(A);

WHEREAS, ACS paid the nonrefundable application fee, as required by R.C. 3772.17(C) and A.C. 3772-6-03(A);

WHEREAS, ACS submitted to the Commission information and materials necessary to demonstrate that ACS has obtained and maintains all of the requisite types of insurance and the amounts of each type;

WHEREAS, the owners, officers, directors, and key employees of ACS, who appear on the attached list marked Exhibit A, (“key employees”) submitted their applications for licensure as key employees to the Commission in accordance with R.C. 3772.13(B) and A.C. 3772-5-02(A);

WHEREAS, on July 3, 2012, Sean Evans of ACS submitted his application for licensure as a key employee to the Commission, in accordance with R.C. 3772.03(D)(15) and 3772.13(B) and A.C. 3772-5-02(F), and complied with the requisite background check;

WHEREAS, with respect to the ACS key employees, the nonrefundable application fees have been paid, as required by R.C. 3772.13(E) and 3772.17(D) and A.C. 3772-5-03(A), and the Commission has been reimbursed for the costs of the criminal records checks, in accordance with and as required by R.C. 3772.07 and 3772.13(E);

WHEREAS, Alea Partners LLC and The Max Seelig Revocable Trust submitted the required information and documentation as holding companies of ACS to the Commission;

WHEREAS, the owners, officer, directors and key employees of Alea Partners LLC and The Max Seelig Revocable Trust, who appear on Exhibit A, (“key employees”) submitted their applications for licensure as key employees to the Commission;

WHEREAS, with respect to the Alea Partners LLC and The Max Seelig Revocable Trust key employees, the nonrefundable application fees have been paid, as required by R.C. 3772.13(E) and 3772.17(D) and A.C. 3772-5-03(A), and the Commission has been reimbursed for the costs of the criminal records checks, in accordance with and as required by R.C. 3772.07 and 3772.13(E);

WHEREAS, Spectrum Gaming Group (“Spectrum”) has been appointed by the Commission as its agent to assist the Commission in the conduct of suitability investigations;

WHEREAS, Spectrum reviewed the submitted gaming-related vendor application, materials and information, and conducted thorough suitability investigations of ACS and its key employees as well as Alea Partners LLC and The Max Seelig Revocable Trust and their key employees;

WHEREAS, Spectrum has filed a report with the Commission dated June 5, 2012, captioned *In the Matter of the Application of Atlantic City Coin & Slot Service Company Inc. for a Gaming-Related Vendor License* (“Report”);

WHEREAS, Spectrum's Report concludes that based upon its investigation no derogatory information that adversely impacts upon the suitability of ACS, Alea Partners LLC, The Max Seelig Revocable Trust, or their key employees was uncovered and that ACS is qualified to be approved as a gaming-related vendor subject to certain conditions;

WHEREAS, the Commission's Division of Licensing and Investigation has reviewed the Spectrum Report and the license applications of ACS, Alea Partners LLC, The Max Seelig Revocable Trust, and their key employees;

WHEREAS, the Commission's Division of Licensing and Investigation has prepared a report to the members of the Commission dated June 22, 2012, captioned *Report of the Division of Licensing and Investigation on the Application of Atlantic City Coin & Slot Service Co.* ("Licensing Report") recommending that the Commission grant a gaming-related vendor license to ACS subject to the following conditions:

- (A) ACS, Alea Partners LLC, and The Max Seelig Revocable Trust shall report any changes in their management, ownership, or stockholdings to the Commission in accordance with A.C. 3772-6-04;
- (B) ACS, Alea Partners LLC, and The Max Seelig Revocable Trust shall report any loans, debt incurred, or any other significant financial matters to the Commission in accordance with A.C. 3772-6-04;
- (C) ACS shall pay all fees required by the Commission, including the following:
 - (1) The cost of the background investigation that exceeded the application fee set forth by A.C. 3772-6-03(A), as required by R.C. 3772.17(C) and A.C. 3772-6-03(B); and
 - (2) A nonrefundable license fee of \$15,000.00, as required by R.C. 3772.121(A)(2) and 3772.17(C) and A.C. 3772-6-03(C);
- (D) ACS's Compliance Committee shall notify the Executive Director of the Commission no later than 30 days from when the Compliance Committee conducts any due diligence efforts, takes any action or makes any recommendations concerning current or future business;
- (E) ACS shall provide the Commission with monthly updates regarding the approval and exercise of the warrant held by Alea Partners LLC. In the event that ACS and Alea Partners LLC receive the necessary approvals to exercise the warrant, ACS shall notify the Commission within 10 days thereof;
- (F) ACS shall provide the Commission with quarterly updates regarding any discussions concerning loans or the extension of loans with Wells Fargo. In the event that any of the terms of the loans with Wells

Fargo change, ACS shall notify the Commission within 10 days thereof;

- (G) Until further notice, ACS shall submit financial information, including but not limited to financial statements, to the Commission on a yearly basis.

WHEREAS, the Commission has considered the matter at its public meeting on July 18, 2012.

NOW, THEREFORE, BE IT RESOLVED, by the Commission that ACS's application for licensure is **APPROVED** and ACS is hereby **LICENSED** for a period not to exceed 3 years, effective today, as a gaming-related vendor subject to continued compliance with R.C. Chapter 3772 and the rules adopted thereunder and the following conditions:

- (A) ACS, Alea Partners LLC, and The Max Seelig Revocable Trust shall report any changes in their management, ownership, or stockholdings to the Commission in accordance with A.C. 3772-6-04;
- (B) ACS, Alea Partners LLC, and The Max Seelig Revocable Trust shall report any loans, debt incurred, or any other significant financial matters to the Commission in accordance with A.C. 3772-6-04;
- (C) ACS shall pay all fees required by the Commission, including the following:
 - (1) The cost of the background investigation that exceeded the application fee set forth by A.C. 3772-6-03(A), as required by R.C. 3772.17(C) and A.C. 3772-6-03(B); and
 - (2) A nonrefundable license fee of \$15,000.00, as required by R.C. 3772.121(A)(2) and 3772.17(C) and A.C. 3772-6-03(C);
- (D) ACS's Compliance Committee shall notify the Executive Director of the Commission no later than 30 days from when the Compliance Committee conducts any due diligence efforts, takes any action or makes any recommendations concerning current or future business;
- (E) ACS shall provide the Commission with monthly updates regarding the approval and exercise of the warrant held by Alea Partners LLC. In the event that ACS and Alea Partners LLC receive the necessary approvals to exercise the warrant, ACS shall notify the Commission within 10 days thereof;
- (F) ACS shall provide the Commission with quarterly updates regarding any discussions concerning loans or the extension of loans with Wells Fargo. In the event that any of the terms of the loans with Wells

Fargo change, ACS shall notify the Commission within 10 days thereof;

- (G) Until further notice, ACS shall submit financial information, including but not limited to financial statements, to the Commission on a yearly basis.

BE IT FURTHER RESOLVED, that the Key Employee License Applications of the natural persons contained on Exhibit A are **APPROVED** and those persons are hereby **LICENSED** for a period not to exceed 3 years, effective today, as key employees, subject to continued compliance with R.C. Chapter 3772 and the rules adopted thereunder and the payment of all fees required by the Commission, including the following:

- (A) The cost of any key employee background investigation that exceeded the application fee set forth by A.C. 3772-5-03(A), as required by R.C. 3772.17(D) and A.C. 3772-5-03(B); and
- (B) A nonrefundable license fee of \$500.00 per key employee license, as required by R.C. 3772.17(D) and A.C. 3772-5-03(C).

BE IT FURTHER RESOLVED, by the Commission that the Key Employee License Application of Sean Evans is **PROVISIONALLY APPROVED** and is hereby **PROVISIONALLY LICENSED** for a period not to exceed 3 months, effective today, as a key employee, subject to continued compliance with R.C. Chapter 3772 and the rules adopted thereunder and the payment of all fees required by the Commission, including the following:

- (A) The cost of any key employee background investigation that exceeded the application fee set forth by A.C. 3772-5-03(A), as required by R.C. 3772.17(D) and A.C. 3772-5-03(B); and
- (B) A nonrefundable license fee of \$500.00 per key employee license, as required by R.C. 3772.17(D) and A.C. 3772-5-03(C).

BE IT FURTHER RESOLVED, that, in accordance with R.C. 3772.03(D)(15), Sean Evans's provisional license may be renewed one time for a period not to exceed 3 months.

BE IT FURTHER RESOLVED, that Resolution 2012-67 does not in any way guarantee that Sean Evans will be granted plenary licensure as a key employee or that the right to operate in a key employee capacity will extend beyond the time permitted herein or under R.C. Chapter 3772 and the rules adopted thereunder.

BE IT FURTHER RESOLVED, that Resolution 2012-67 does not in any way affect, negate, or otherwise absolve ACS, Alea Partners LLC, The Max Seelig Revocable Trust, or their key employees from their duties to update information in accordance with A.C. 3772-6-04 and A.C. 3772-5-04.

BE IT FURTHER RESOLVED, that Resolution 2012-67 does not restrict or limit the Commission's future exercise of authority and discretion with respect to imposing additional conditions or taking further action upon ACS, Alea Partners LLC, The Max Seelig Revocable Trust, or their key employees under R.C. Chapter 3772 and the rules adopted thereunder.

Adopted: July 18, 2012

Exhibit A
Resolution 2012-67

1. Thomas McCormick – EVP and General Counsel
2. Robert Mignone – Owner
3. Jason Seelig – Director, President and Owner
4. Jeffrey Seelig – Director, CFO and Owner
5. Jerald Seelig – Director, Chief Gaming Officer and Owner
6. Max Seelig – Director, CEO and Owner
7. David Wolfe – Director and Owner