

OHIO CASINO CONTROL COMMISSION

RESOLUTION 2022-34

**CONSIDERATION OF HARD ROCK CASINO CINCINNATI LLC'S APPLICATION  
TO RENEW ITS CASINO-OPERATOR LICENSE**

**WHEREAS**, Article XV, Section 6(C) of the Ohio Constitution created the Ohio Casino Control Commission ("Commission") to ensure the integrity of casino gaming;

**WHEREAS**, Article XV, Section 6(C) of the Ohio Constitution and R.C. 3772.08 permit casino gaming to be conducted only by licensed casino operators of the 4 constitutionally defined casino facilities or by licensed management companies retained by licensed casino operators;

**WHEREAS**, R.C. 3772.09 prohibits any casino operator, management company, holding company, or key employee from conducting or participating in conducting casino gaming without first being licensed by the Commission;

**WHEREAS**, R.C. 3772.15 and Ohio Adm. Code 3772-4-01 require that a casino-operator licensee undergo a complete investigation at least once every three years to ensure continued eligibility for licensure;

**WHEREAS**, R.C. 3772.10 mandates that the Commission consider all of the following, as applicable, when determining whether to grant or maintain the privilege of a casino-operator 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. 3772.10 requires a casino operator seeking licensure under R.C. Chapter 3772 to establish its suitability by clear and convincing evidence;

**WHEREAS**, R.C. 3772.11 requires any casino operator seeking licensure to submit, under oath, a Casino Operator and Management Company License Application and Holding Company Form ("Application");

**WHEREAS**, Article XV, Section 6(C) of the Ohio Constitution, R.C. 3772.03, 3772.10, 3772.11, 3772.111, and 3772.17, and Ohio Adm.Code Chapter 3772-4 authorize the Commission to issue and renew casino-operator licenses to applicants that the Commission determines are eligible for licensure and have paid all applicable fees;

**WHEREAS**, a casino operator is eligible for licensure upon meeting the following criteria:

- (A) Submission of a true and complete Application, as required by R.C. 3772.10 and 3772.11 and Ohio Adm.Code 3772-4-01 through 3772-4-05;
- (B) Payment of the nonrefundable renewal application fee of \$500,000 and all fees necessary to cover the costs of the background investigation in excess of the application fee, if any, as required by R.C. 3772.17 and Ohio Adm.Code 3772-4-03;
- (C) Reimbursement of the costs for the criminal-records check, as required by R.C. 3772.07 and 3772.17, if applicable;
- (D) Not having been convicted of or pled guilty or no contest to a disqualifying offense, as defined and prohibited by R.C. 3772.07 and

3772.10, and as determined by the Commission under R.C. 9.79;

- (E) All holding companies and management companies, their directors, executive officers, members, managers, and any shareholder who holds more than 5% ownership of the holding companies and management companies, if any, submit the same information as the applicant, as required by R.C. 3772.11; and
- (F) Otherwise being suitable for licensure, as required by R.C. 3772.10;

**WHEREAS**, R.C. 3772.112 requires a casino operator, before being licensed by the Commission, to post, and thereafter maintain, a surety bond in the amount of \$1,000,000 payable to the state of Ohio;

**WHEREAS**, R.C. 3772.112 further provides that:

- (A) The surety bond be issued by a surety that is licensed to do business in this state;
- (B) The surety bond be approved by the Commission;
- (C) The total aggregate liability of the surety is limited to the amount specified in the surety bond;
- (D) The surety not cancel the surety bond unless the surety has given the Commission, in the event of nonpayment of premium, 10 days' notice of the intention to cancel, and in the event of any other cause, 30 days' notice of the intention to cancel; and
- (E) If the surety bond is to be canceled, and if the casino operator fails to post and maintain a new surety bond in the specified amount on or before the day of cancellation, the operator's license is void;

**WHEREAS**, R.C. 3772.03 mandates that the Commission adopt rules prescribing the minimum amount of insurance that must be maintained by casino operators;

**WHEREAS**, Ohio Adm.Code 3772-7-01 requires a casino operator to obtain and maintain the following types of insurance in minimum amounts determined by the Commission:

- (A) Liability;
- (B) Casualty;
- (C) Property;
- (D) Worker's compensation; and
- (E) Any other type of insurance the Commission deems necessary to

ensure the licensee is adequately insured;

**WHEREAS**, Hard Rock Casino Cincinnati, LLC, submitted an Application and paid the nonrefundable renewal application fee;

**WHEREAS**, Hard Rock Cincinnati submitted information and materials necessary to demonstrate that it has posted, and thereafter will maintain, a surety bond in the amount of \$1,000,000;

**WHEREAS**, Hard Rock Cincinnati submitted information and materials (summaries of which are attached as Exhibit A) necessary to demonstrate that it has obtained and maintains all of the requisite types of insurance and the amounts of each type;

**WHEREAS**, Hard Rock Cincinnati's holding companies, a list of which appears on the attached Exhibit B, ("Holding Companies") submitted the information and documentation required of holding companies;

**WHEREAS**, the Commission's Division of Licensing and Investigations ("Division") reviewed the Application and other materials and information and conducted thorough suitability investigations of Hard Rock Cincinnati and the Holding Companies;

**WHEREAS**, the Division has filed a report, dated August 10, 2022, captioned *Investigative Report on the Application of Hard Rock Casino Cincinnati, LLC to Renew its Casino-Operator License* ("Report");

**WHEREAS**, the Report concludes that the Division's investigations did not uncover any material derogatory that adversely impacts the suitability of Hard Rock Cincinnati or its Holding Companies and that Hard Rock Cincinnati is eligible for licensure;

**WHEREAS**, based on this conclusion, the Division recommends that the Commission renew Hard Rock Cincinnati's casino-operator license;

**WHEREAS**, the Commission has reviewed the Report and considered the matter at its public meeting held on August 17, 2022.

**NOW, THEREFORE, BE IT RESOLVED** by the Commission that Hard Rock Cincinnati's types and minimum amounts of insurance are **APPROVED**.

**BE IT FURTHER RESOLVED** that Hard Rock Cincinnati is **SUITABLE** and **ELIGIBLE** for licensure.

**BE IT FURTHER RESOLVED** that Hard Rock Cincinnati's Application is **APPROVED** and its casino-operator license is **RENEWED** for a period not to exceed 3 years, effective upon the expiration of the previous license, subject to continued compliance with R.C. Chapter 3772 and the rules adopted thereunder and the following conditions:

- (A) Hard Rock Cincinnati and the Holding Companies must notify the Commission regarding:
- (1) The status of all pending litigation and any litigation commenced subsequent to the renewal of Hard Rock Cincinnati's casino-operator license;
  - (2) Any changes to the owners, officers, directors, and key employees; any new owners, officers, directors, and key employees are required to submit key-employee license applications, as required under R.C. 3772.13 and Ohio Adm.Code Chapter 3772-5; and any new owners, officers, directors, and key employees must establish their suitability for licensure by clear and convincing evidence and be found eligible and otherwise suitable by the Commission, as required under R.C. 3772.10 and 3772.13;
  - (3) Any loans or additional debt incurred by them; and
  - (4) Any event of default or any failure to meet any payment of interest or principal when due under any of their existing or future debt obligations;
- (B) Hard Rock Cincinnati and the Holding Companies must submit, as applicable, all information required to be provided to the Commission under R.C. 3772.18;
- (C) Hard Rock Cincinnati and the Holding Companies must comply with all applicable and effective internal controls, standard operating procedures, governance documents, and agreements, whether or not approved by the Commission;
- (D) Seminole HR Holdings' Management Board and Compliance and Audit Committees must keep and retain complete and accurate minutes of all their formal and informal meetings (including any discussion, issues, or reports of fraud, noncompliance, or concerns raised internally, externally, or otherwise), whether the meetings take place in person, telephonically, or by some other means of communication, in accordance with Ohio Adm.Code 3772-1-07 and any applicable internal controls, standard operating procedures, governance documents, and agreements, whether or not approved by the Commission;
- (E) Seminole HR Holdings' Compliance and Audit Committees must notify the Commission's Executive Director no later than 30 days from when either conducts any due diligence efforts, takes any action, or makes any recommendations concerning current or future business; and

- (F) Hard Rock Cincinnati must pay all fees required by the Commission, including a nonrefundable renewal license fee of \$1,500,000.

**BE IT FURTHER RESOLVED** that Resolution 2022-34 does not in any way affect, negate, or otherwise absolve Hard Rock Cincinnati or its Holding Companies from their duties to update information in accordance with Ohio Adm.Code 3772-4-06.

**BE IT FURTHER RESOLVED** that Resolution 2022-34 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 Hard Rock Cincinnati, its Holding Companies, or other affiliated persons or entities under R.C. Chapter 3772 and the rules adopted thereunder.

Adopted: August 17, 2022

**Exhibit A**  
**Resolution 2022-34**

**Hard Rock Casino Cincinnati, LLC**

Types of Insurance Policies

Commercial General Liability	\$5,000,000
Workers Compensation and Employers' Liability	\$1,000,000
Workers' Compensation – Participates in the Ohio State Insurance Fund as required by law	
Property	\$500,000,000

**Exhibit B**  
**Resolution 2022-34**

Holding Companies

1. HR Cincinnati, LLC
2. Seminole Hard Rock Entertainment, Inc.
3. Seminole HR Holdings, LLC
4. SHRE/SHRI, LLC