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I/M/O THE INITIAL APPLICATION OF :  
ANDRE E. HARVEY :  
FOR A CASINO KEY EMPLOYEE LICENSE :

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**ORDER**

The Division of Gaming Enforcement (“**Division**”), having initially objected to the initial application of Andre E. Harvey (“**Applicant**”) for casino key employee license #010237-11; and the Division and Applicant having entered into a Stipulation of Settlement (“**Stipulation**”) which was submitted to the New Jersey Casino Control Commission (“**Commission**”); and the Commission being unaware of Applicant having been involved in any other matters inconsistent with licensure; and the Commission having considered this matter in its entirety at its public meeting on July 15, 2020;

**IT IS** on this **15th** day of **July 2020**, **ORDERED** that the Stipulation, which is incorporated herein by reference, is **APPROVED** and the initial application for casino key employee license #010237-11 is **GRANTED**; and

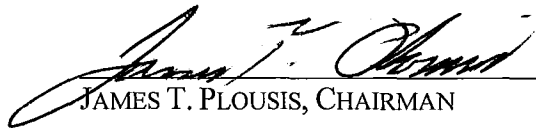
**IT IS FURTHER ORDERED** that Applicant has established his qualifications for licensure as a casino key employee as required by N.J.S.A. 5:12-89(b)(1) and -89(b)(2) of the Casino Control Act (“**Act**”) based on the credible evidence submitted including Applicant’s voluntary agreement that he 1) remain compliant with his bankruptcy repayment plan and 2) provide the Division with proof of such compliance on an annual basis beginning December 15, 2020; and

**IT IS FURTHER ORDERED** that the granting of Applicant's initial casino key employee license application is specifically conditioned on Applicant remaining compliant with the above-referenced terms, including providing proof to the Division of his compliance with the above-referenced terms, by sending a copy of all appropriate documentation to:

Division of Gaming Enforcement  
**ATTN: Jordan Hollander, Deputy Attorney General**  
140 E. Front Street  
P.O. Box 047  
Trenton, NJ 08625  
Email: [jordan.hollander@njdge.org](mailto:jordan.hollander@njdge.org).

Failure of Applicant to abide by any of the conditions set forth herein shall constitute grounds to re-open this matter.

NEW JERSEY CASINO CONTROL COMMISSION

  
\_\_\_\_\_  
JAMES T. PLOUSIS, CHAIRMAN

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I/M/O THE INITIAL APPLICATION OF :  
EDWARD MACHINSKI :  
FOR A CASINO KEY EMPLOYEE LICENSE :

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**ORDER**

The Division of Gaming Enforcement (“**Division**”), having initially objected to the initial application of Edward Machinski (“**Applicant**”) for casino key employee license #010173-11; and the Division and Applicant having entered into a Stipulation of Settlement (“**Stipulation**”) which was submitted to the New Jersey Casino Control Commission (“**Commission**”); and the Commission being unaware of Applicant having been involved in any other matters inconsistent with licensure; and the Commission having considered this matter in its entirety at its public meeting on July 15, 2020;

**IT IS** on this **15th** day of **July 2020**, **ORDERED** that the Stipulation, which is incorporated herein by reference, is **APPROVED** and the initial application for casino key employee license #010173-11 is **GRANTED**; and

**IT IS FURTHER ORDERED** that Applicant has established his qualifications for licensure as a casino key employee as required by N.J.S.A. 5:12-89(b)(1) and -89(b)(2) of the Casino Control Act (“**Act**”) based on the credible evidence submitted including Applicant’s voluntary agreement that he provide proof to the Division of his compliance with his Internal Revenue Service (“**IRS**”) and New Jersey Division of

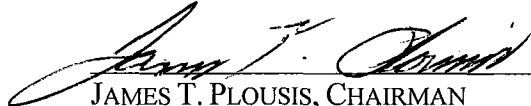
Taxation (“NJ Tax”) payment plans on an annual basis beginning December 15, 2020;  
and

**IT IS FURTHER ORDERED** that the granting of Applicant’s initial casino key employee license application is specifically conditioned on Applicant remaining compliant with the above-referenced terms, specifically by providing proof to the Division of his compliance with his IRS and NJ Tax payment plans, on an annual basis beginning December 15, 2020, by sending a copy of all appropriate documentation to:

Division of Gaming Enforcement  
**ATTN: Jordan Hollander, Deputy Attorney General**  
140 E. Front Street  
P.O. Box 047  
Trenton, NJ 08625  
Email: [jordan.hollander@njdge.org](mailto:jordan.hollander@njdge.org).

Failure of Applicant to abide by any of the conditions set forth herein shall constitute grounds to re-open this matter.

NEW JERSEY CASINO CONTROL COMMISSION

  
\_\_\_\_\_  
JAMES T. PLOUSIS, CHAIRMAN

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I/M/O THE INITIAL APPLICATION OF :  
MATTHEW M. MADENSKY :  
FOR A CASINO KEY EMPLOYEE LICENSE :

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**ORDER**

The Division of Gaming Enforcement (“**Division**”), having initially objected to the initial application of Matthew M. Madensky (“**Applicant**”) for casino key employee license #010235-11; and the Division and Applicant having entered into a Stipulation of Settlement (“**Stipulation**”) which was submitted to the New Jersey Casino Control Commission (“**Commission**”); and the Commission being unaware of Applicant having been involved in any other matters inconsistent with licensure; and the Commission having considered this matter in its entirety at its public meeting on July 15, 2020;

**IT IS** on this **15th** day of **July 2020**, **ORDERED** that the Stipulation, which is incorporated herein by reference, is **APPROVED** and the initial application for casino key employee license #010235-11 is **GRANTED**; and

**IT IS FURTHER ORDERED** that Applicant has established his qualifications for licensure as a casino key employee as required by N.J.S.A. 5:12-89(b)(1) and -89(b)(2) of the Casino Control Act (“**Act**”) based on the credible evidence submitted including Applicant’s voluntary agreement that he provide the Division with the status of his outstanding tax liabilities owed to the Internal Revenue Service (“**IRS**”) and the New

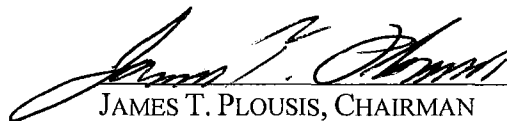
Jersey Division of Taxation (“NJ Tax”) for 2016 through 2018 on an annual basis beginning December 15, 2020; and

**IT IS FURTHER ORDERED** that the granting of Applicant’s initial casino key employee license application is specifically conditioned on Applicant remaining compliant with the above-referenced terms, specifically by providing proof to the Division of the status of his outstanding tax liabilities owed to the IRS and NJ Tax for 2016 through 2018, on an annual basis beginning December 15, 2020, by sending a copy of all appropriate documentation to:

Division of Gaming Enforcement  
**ATTN: Jordan Hollander, Deputy Attorney General**  
140 E. Front Street  
P.O. Box 047  
Trenton, NJ 08625  
Email: [jordan.hollander@njdgc.org](mailto:jordan.hollander@njdgc.org).

Applicant shall provide such proof until his IRS and NJ Tax debts are satisfied or otherwise paid in full. Failure of Applicant to abide by any of the conditions set forth herein shall constitute grounds to re-open this matter.

NEW JERSEY CASINO CONTROL COMMISSION

  
\_\_\_\_\_  
JAMES T. PLOUSIS, CHAIRMAN

STATE OF NEW JERSEY  
CASINO CONTROL COMMISSION  
DOCKET NO. 19-0046-CK  
CREDENTIAL NO. 010109-11  
ORDER NO. 20-07-15-06 (TMP/TMP)

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I/M/O THE INITIAL APPLICATION :  
OF RYAN M. ROTHSTEIN :  
FOR A CASINO KEY EMPLOYEE LICENSE :

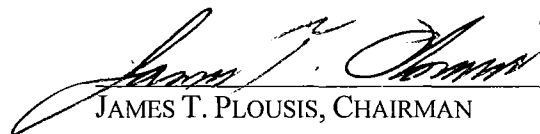
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**ORDER**

The Division of Gaming Enforcement ("**Division**"), having objected to the initial application of Ryan M. Rothstein ("**Applicant**") for casino key employee license #010109-11; and Applicant having abandoned his opportunity for a contested case hearing to respond to the Division's objections; and this matter having been submitted to the New Jersey Casino Control Commission ("**Commission**"); and Applicant having failed to appear; and the Commission having considered this matter at its public meeting on July 15, 2020;

**IT IS** on this **15th** day of **July 2020**, **ORDERED** that the initial application for casino key employee license #010109-11 is hereby **DENIED** and Applicant is hereby found **DISQUALIFIED** pursuant to N.J.S.A. 5:12-80(b), N.J.S.A. 5:12-80(d), N.J.S.A. 5:12-86 and N.J.S.A. 5:12-89.

NEW JERSEY CASINO CONTROL COMMISSION

  
\_\_\_\_\_  
JAMES T. PLOUSIS, CHAIRMAN

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I/M/O THE INITIAL APPLICATION OF :  
ROBERT H. PATTILLO, JR. :  
FOR A CASINO KEY EMPLOYEE LICENSE :

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**ORDER**

The Division of Gaming Enforcement (“**Division**”), having initially objected to the initial application of Robert H. Pattillo, Jr. (“**Applicant**”) for casino key employee license #010220-11; and the Division and Applicant having entered into a Stipulation of Settlement (“**Stipulation**”) which was submitted to the New Jersey Casino Control Commission (“**Commission**”); and the Commission being unaware of Applicant having been involved in any other matters inconsistent with licensure; and the Commission having considered this matter in its entirety at its public meeting on July 15, 2020;

**IT IS** on this **15th** day of **July 2020**, **ORDERED** that the Stipulation, which is incorporated herein by reference, is **APPROVED** and the initial application for casino key employee license #010220-11 is **GRANTED**; and

**IT IS FURTHER ORDERED** that Applicant has established his qualifications for licensure as a casino key employee as required by N.J.S.A. 5:12-89(b)(1) and -89(b)(2) of the Casino Control Act (“**Act**”) based on the credible evidence submitted including Applicant’s voluntary agreement that he attend and complete professional development coursework and/or training of at least 16 course hours on supervisory skills and equal employment and anti-harassment policies, such as the “Leadership Excellent for



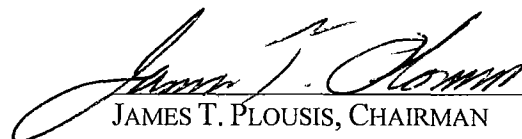
Managers and Supervisors” course and annual anti-harassment training offered by his current employer, Harrah’s Atlantic City, or the “Fundamental of Supervision and Management course offered by Atlantic Cape Community College” and further agrees to provide documentation of having completed said coursework/training by July 15, 2021; and

**IT IS FURTHER ORDERED** that the granting of Applicant’s initial casino key employee license application is specifically conditioned on Applicant remaining compliant with the above-referenced terms, specifically by providing proof to the Division of having completed the required coursework/training by July 15, 2021, by sending a copy of all appropriate documentation to:

Division of Gaming Enforcement  
**ATTN: Jordan Hollander, Deputy Attorney General**  
140 E. Front Street  
P.O. Box 047  
Trenton, NJ 08625  
Email: [jordan.hollander@njdge.org](mailto:jordan.hollander@njdge.org).

Failure of Applicant to abide by any of the conditions set forth herein shall constitute grounds to re-open this matter.

NEW JERSEY CASINO CONTROL COMMISSION

  
\_\_\_\_\_  
JAMES T. PLOUSIS, CHAIRMAN

STATE OF NEW JERSEY  
CASINO CONTROL COMMISSION  
DOCKET No. 20-0008-CK  
CREDENTIAL No. 010199-11  
ORDER No. 20-07-15-08 (TMP)

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I/M/O THE INITIAL APPLICATION OF :  
SADIA RASIFZAMAN :  
FOR A CASINO KEY EMPLOYEE LICENSE :

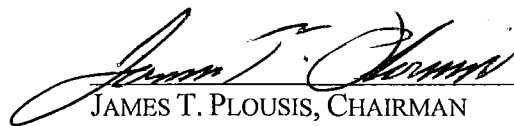
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**ORDER**

The Division of Gaming Enforcement (“**Division**”), having initially objected to the initial application of Sadia Rasifzaman (“**Applicant**”) for casino key employee license #010199-11; and the Division having issued a supplemental letter-report withdrawing its objection; and the New Jersey Casino Control Commission (“**Commission**”) being unaware of Applicant having been involved in any other matters inconsistent with licensure; and the Commission having considered this matter in its entirety at its public meeting on July 15, 2020;

**IT IS** on this **15th** day of **July 2020**, **ORDERED** that the initial application for casino key employee license #010199-11 is **GRANTED** based on the credible evidence submitted demonstrating Applicant’s qualifications for licensure as required by N.J.S.A. 5:12-89(b)(1) and -89(b)(2) of the Casino Control Act.

NEW JERSEY CASINO CONTROL COMMISSION

  
\_\_\_\_\_  
JAMES T. PLOUSIS, CHAIRMAN

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I/M/O THE INITIAL APPLICATION OF :  
JOANNA MARTINEZ :  
FOR A CASINO KEY EMPLOYEE LICENSE :

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**ORDER**

The Division of Gaming Enforcement (“**Division**”), having initially objected to the initial application of Joanna Martinez (“**Applicant**”) for casino key employee license #010174-11; and the Division and Applicant having entered into a Stipulation of Settlement (“**Stipulation**”) which was submitted to the New Jersey Casino Control Commission (“**Commission**”); and the Commission being unaware of Applicant having been involved in any other matters inconsistent with licensure; and the Commission having considered this matter in its entirety at its public meeting on July 15, 2020;

**IT IS** on this **15th** day of **July 2020**, **ORDERED** that the Stipulation, which is incorporated herein by reference, is **APPROVED** and the initial application for casino key employee license #010174-11 is **GRANTED**; and

**IT IS FURTHER ORDERED** that Applicant has established her qualifications for licensure as a casino key employee as required by N.J.S.A. 5:12-89(b)(1) and -89(b)(2) of the Casino Control Act (“**Act**”) based on the credible evidence submitted including Applicant’s voluntary agreement that she 1) remain in compliance with the terms of her payment plans with the Internal Revenue Service (“**IRS**”) and the New Jersey Division

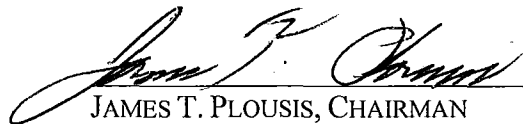
of Taxation (“NJ Tax”) for 2015 through 2017 and 2) provide the Division with proof of such compliance on an annual basis beginning July 15, 2021; and

**IT IS FURTHER ORDERED** that the granting of Applicant’s initial casino key employee license application is specifically conditioned on Applicant remaining compliant with the above-referenced terms, specifically by providing proof to the Division of her compliance with her IRS and NJ Tax payment plans, on an annual basis beginning July 15, 2021, by sending a copy of all appropriate documentation to:

Division of Gaming Enforcement  
**ATTN: Brian C. Bisciegli**, Deputy Attorney General  
1300 Atlantic Avenue  
Atlantic City, NJ 08401  
Email: [brian.bisciegli@njdge.org](mailto:brian.bisciegli@njdge.org)

Applicant shall file such reports until her IRS and NJ Tax liabilities are paid in full or otherwise satisfied. Failure of Applicant to abide by any of the conditions set forth herein shall constitute grounds to re-open this matter.

NEW JERSEY CASINO CONTROL COMMISSION

  
JAMES T. PLOUSIS, CHAIRMAN

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I/M/O THE INITIAL APPLICATION OF :  
NELSON VELEZ :  
FOR A CASINO KEY EMPLOYEE LICENSE :

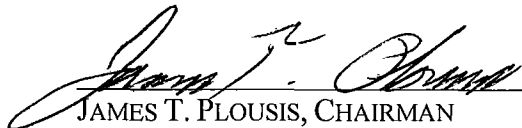
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**ORDER**

The Division of Gaming Enforcement (“**Division**”), having initially objected to the initial application of Nelson Velez (“**Applicant**”) for casino key employee license #010158-11; and the Division having issued a supplemental letter-report withdrawing its objection; and the New Jersey Casino Control Commission (“**Commission**”) being unaware of Applicant having been involved in any other matters inconsistent with licensure; and the Commission having considered this matter in its entirety at its public meeting on July 15, 2020;

**IT IS** on this **15th** day of **July 2020**, **ORDERED** that the initial application for casino key employee license #010158-11 is **GRANTED** based on the credible evidence submitted demonstrating Applicant’s qualifications for licensure as required by N.J.S.A. 5:12-89(b)(1) and -89(b)(2) of the Casino Control Act.

NEW JERSEY CASINO CONTROL COMMISSION

  
\_\_\_\_\_  
JAMES T. PLOUSIS, CHAIRMAN

# New Jersey Casino Control Commission

## Resolution



No. 20-07-15-11

RESOLUTION OF THE NEW JERSEY CASINO CONTROL COMMISSION  
CONCERNING THE JOINT PETITION OF  
MARINA DISTRICT DEVELOPMENT COMPANY, LLC AND  
MGM RESORTS INTERNATIONAL  
REQUESTING PERMISSION FOR SCOTT WESSEL TO  
PERFORM THE DUTIES AND EXERCISE THE POWERS OF  
SENIOR VICE PRESIDENT, TECHNOLOGY & DIGITAL SOLUTIONS OF  
MGM RESORTS INTERNATIONAL PENDING PLENARY QUALIFICATION  
(PRN 1902002)

**WHEREAS**, MGM Resorts International (MGM), a qualified holding company of casino licensee Marina District Development Company, LLC d/b/a the Borgata Hotel Casino & Spa (Borgata) and Borgata (collectively Petitioners) filed a petition seeking approval of the New Jersey Casino Control Commission (Commission) to have Scott Wessel, for a nine-month period pending his plenary qualification, assume the duties and exercise the powers of Senior Vice President, Technology & Digital Solutions of MGM in accordance with the conditions contained in *N.J.S.A. 5:12-85.1c* and *N.J.A.C. 13:69C-2.7(c)* and (d); and

**WHEREAS**, Mr. Wessel filed the requisite personal history disclosure form(s) with the Division of Gaming Enforcement (Division) as required by *N.J.A.C. 13:69C-2.7(c)*; and

**WHEREAS**, the Division of Gaming Enforcement (Division) filed a response dated July 10, 2020, in which it recommended that the Commission permit Mr. Wessel to assume the duties and exercise the powers of that position before being found plenary qualified; and



Resolution No. 20-07-15-11  
Page 2

**WHEREAS**, the Commission considered the entire record of the proceedings at its public meeting of July 15, 2020;

**NOW, THEREFORE, BE IT RESOLVED** by the Commission that Scott Wessel is temporarily qualified and is hereby authorized to assume the duties and exercise the powers of Senior Vice President Technology & Digital Solutions of MGM, subject to the conditions contained in *N.J.S.A. 5:12-85.1c* and *N.J.A.C. 13:69C-2.7*.

Submitted by:

Teresa M. Pimpinelli  
Senior Counsel

CERTIFICATION

I HEREBY CERTIFY that this Resolution correctly reflects the decision of the New Jersey Casino Control Commission.

Dianna W. Fauntleroy, Esq.  
Executive Secretary

Meeting of July 15, 2020  
Vote taken on page 31



# New Jersey Casino Control Commission Resolution No. 20-07-15-12

RESOLUTION OF THE NEW JERSEY CASINO CONTROL COMMISSION  
CONCERNING THE INITIAL CASINO KEY EMPLOYEE LICENSURE AND  
PLENARY QUALIFICATION OF JENNIFER LEE GALLE AS REGIONAL VICE  
PRESIDENT OF MARKETING, CORPORATE FOR BALLY'S PARK PLACE, LLC,  
BOARDWALK REGENCY, LLC, AND HARRAH'S ATLANTIC CITY  
OPERATING COMPANY, LLC

**WHEREAS**, on November 13, 2019, the New Jersey Casino Control Commission ("Commission") granted temporary qualification to Jennifer Lee Galle to perform the duties and exercise the powers of Regional Vice President of Marketing, Corporate, for Bally's Park Place, LLC ("Bally's AC"), Boardwalk Regency, LLC ("Caesars AC") and Harrah's Atlantic City Operating Company, LLC ("Harrah's") pursuant to *N.J.S.A. 5:12-85.1c* and *N.J.A.C. 13:69C-2.6* and *-2.7*, approved the issuance of a temporary casino key employee license with a multi-casino endorsement to Ms. Galle and waived the residency requirement pursuant to *N.J.S.A. 5:12-89b(4)* and *-89e* and *N.J.A.C. 19:41A-5.3* (Commission Resolution No. 19-11-13-15); and

**WHEREAS**, the Division of Gaming Enforcement filed a letter report dated June 3, 2020 recommending that the Commission grant Ms. Galle an initial casino key employee license with multi-casino endorsement and residency waiver and find Ms. Galle plenary qualified to perform the duties and exercise the powers of Regional Vice President of Marketing, Corporate for Bally's AC, Caesars AC and Harrah's; and





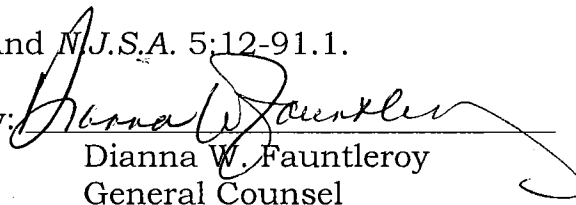
Resolution No. 20-07-15-12  
Page 2

**WHEREAS**, the Commission considered the entire record of the proceedings at its public meeting of July 15, 2020.

**NOW, THEREFORE, BE IT RESOLVED** by the Commission, that Jennifer L. Galle is hereby qualified to serve as Regional Vice President of Marketing, Corporate for Bally's AC, Caesars AC and Harrah's in accordance with *N.J.S.A.* 5:12-85.1c, *N.J.S.A.* 89b(1) and (2), and *N.J.A.C.* 13:69C-2.6 and 2.7; and


**BE IT FURTHER RESOLVED** by the Commission that an initial casino key employee license with a multi-casino endorsement shall be issued to Jennifer L. Galle, with a waiver of the residency requirement, in accordance with *N.J.S.A.* 5:12-89b(4) and -89e, *N.J.A.C.* 19:41A-5.3 and *N.J.S.A.* 5:12-91.1.

Submitted by:

  
Dianna W. Fauntleroy  
General Counsel

CERTIFICATION

I HEREBY CERTIFY that this Resolution correctly reflects the decision of the New Jersey Casino Control Commission.

  
Teresa Pimpinelli, Senior Counsel  
for the Executive Secretary

Meeting of July 15, 2020  
Vote taken on page 34 of July 15, 2020 transcript



**New Jersey Casino Control Commission**  
**Resolution**  
**No. 20-07-15-13**

RESOLUTION OF THE NEW JERSEY CASINO CONTROL COMMISSION  
CONCERNING THE INITIAL CASINO KEY EMPLOYEE LICENSURE AND  
PLENARY QUALIFICATION OF MELANIE ROTH GROSS AS VICE PRESIDENT  
OF ONLINE CASINO AND SPORTS FOR CAESARS INTERACTIVE  
ENTERTAINMENT, LLC AND CAESARS INTERACTIVE ENTERTAINMENT  
NEW JERSEY, LLC

**WHEREAS**, on December 11, 2019, the New Jersey Casino Control Commission (“Commission”) granted temporary qualification to Melanie R. Gross to perform the duties and exercise the powers of Vice President of Online Casino and Sports for Caesars Interactive Entertainment, LLC (“CIE”) and Caesars Interactive Entertainment New Jersey, LLC (“CIENJ”) pursuant to *N.J.S.A. 5:12-85.1c* and *N.J.A.C. 13:69C-2.6* and *-2.7*, approved the issuance of a temporary casino key employee license to Ms. Gross and found that residency is not required pursuant to *N.J.S.A. 5:12-89b(4)* and *-89e* and *N.J.A.C. 19:41A-5.3* (Commission Resolution No. 19-12-11-16); and

**WHEREAS**, the Division of Gaming Enforcement filed a letter report dated June 3, 2020 recommending that the Commission grant Ms. Gross an initial casino key employee license with residency waiver and find Ms. Gross plenary qualified to perform the duties and exercise the powers of Vice President of Online Casino and Sports for CIE and CIENJ; and



Resolution No. 20-07-15-13

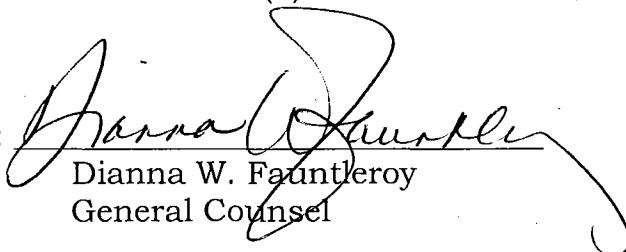
Page 2

**WHEREAS**, the Commission considered the entire record of the proceedings at its public meeting of July 15, 2020.

**NOW, THEREFORE, BE IT RESOLVED** by the Commission, that Melanie R. Gross is hereby qualified to serve as Vice President of Online Casino and Sports for CIE and CIENJ in accordance with *N.J.S.A. 5:12-85.1c*, *N.J.S.A. 89b(1)* and (2), and *N.J.A.C. 13:69C-2.6* and -2.7; and

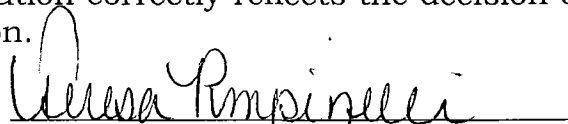
**BE IT FURTHER RESOLVED** by the Commission that an initial casino key employee license shall be issued to Melanie R. Gross, without the need to establish residency, in accordance with *N.J.S.A. 5:12-89b(4)* and -89e and *N.J.A.C. 19:41A-5.3*.

Submitted by:

  
Dianna W. Fauntleroy  
General Counsel

CERTIFICATION

I HEREBY CERTIFY that this Resolution correctly reflects the decision of the New Jersey Casino Control Commission.

  
Teresa Pimpinelli, Senior Counsel  
for the Executive Secretary

Meeting of July 15, 2020

Vote taken on page 37 of July 15, 2020 transcript

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JOINT PETITION OF CAESARS ENTERTAINMENT CORPORATION, CEOC, LLC, CAESARS GROWTH PARTNERS, LLC, CAESARS RESORT COLLECTION, LLC, CAESARS INTERACTIVE ENTERTAINMENT NEW JERSEY, LLC, HARRAH'S ATLANTIC CITY OPERATING COMPANY, LLC, BALLY'S PARK PLACE, LLC, BOARDWALK REGENCY, LLC; ELDORADO RESORTS, INC. AND COLT MERGER SUB, INC. FOR APPROVAL OF: (I) THE MERGER OF CAESARS ENTERTAINMENT CORPORATION WITH COLT MERGER SUB, INC. AND (II) THE QUALIFICATION OF NEW ENTITY AND NATURAL PERSON QUALIFIERS AND (III) OTHER DECLARATORY RELIEF PURSUANT TO N.J.S.A. 5:12-1.1 *et seq.* (PRN 2481902)

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**OPINION  
AND  
ORDER**

**NEW JERSEY CASINO CONTROL COMMISSION:**

James T. Plousis, Chairman  
Alisa B. Cooper, Commissioner

Appearances of Counsel

For Petitioners Eldorado Resorts, Inc. and Colt Merger Sub, Inc.:

Stephen Schrier, Esq.  
Holly Eicher, Esq.  
BLANK ROME, LLP.

For Petitioners Caesars Entertainment Corporation, et al.:

Paul O'Gara, Esq.  
Pacifico Agnellini, Esq.  
BROWNSTEIN HYATT FARBER SCHRECK

For Petitioners Harrah's Atlantic City Operating Company, LLC, Harrah's Atlantic City Propco, LLC, Boardwalk Regency LLC and Bally's Park Place (PRN 3571901):

Paul O'Gara, Esq.

Pacifico Agnellini, Esq.

BROWNSTEIN HYATT FARBER SCHRECK

For Petitioners VICI Properties L.P., Harrah's Atlantic City LLC, Caesars Atlantic City LLC, and Bally's Atlantic City LLC:

Michael Fabius, Esq.

BALLARD SPAHR LLP

Lloyd Levenson, Esq.

Lynne Kaufmann, Esq.

COOPER LEVENSON

For the Division of Gaming Enforcement:

Tracy Richardson, DAG

## **I. INTRODUCTION**

This matter is before the Casino Control Commission (“Commission”) pursuant to the joint petition of Caesars Entertainment Corporation (“CEC”), CEOC, LLC (“CEOC”), Caesars Growth Partners, LLC (“CGP”), Caesars Resort Collection, LLC (“CRC”), Caesars Interactive Entertainment New Jersey, LLC (“CIENJ”), Harrah’s Atlantic City Operating Company, LLC (“Harrah’s AC”), Bally’s Park Place, LLC (“Bally’s AC”), Boardwalk Regency, LLC (“Caesars AC”), Eldorado Resorts, Inc. (“ERI”) and Colt Merger Sub, Inc. (“Colt Sub”), (collectively “Petitioners”), for various rulings related to the request for Commission approval of the merger of CEC and Colt Sub, with CEC surviving as a new wholly-owned subsidiary of ERI (“Merger”). (PRN 2481902)

Related to the Merger, another matter before the Commission is the joint petition of Caesars AC, Bally’s AC, Harrah’s AC, Harrah’s Atlantic City Propco (“Harrah’s RE Owner”), ERI, VICI Properties L.P. (“VICI Properties”), a subsidiary of the REIT VICI Properties, Inc. (“VICI REIT”), Harrah’s Atlantic City LLC (“Harrah’s Landlord”), Caesars Atlantic City LLC (“Caesars Landlord”), and Bally’s Atlantic City LLC (“Bally’s Landlord”) seeking declaratory relief related to the proposed sale of the real estate assets of Harrah’s AC to VICI REIT, a determination of the licensing status of Harrah’s Landlord as a casino service enterprise (“csie”) rather than a casino licensee and approval of the Non-CPLV master lease (“Master Lease”) as amended to include the Harrah’s AC real estate assets. (PRN 3571901)

## **II. FACTUAL BACKGROUND**

On June 24, 2019, ERI and CEC, entered into an Agreement and Plan of Merger (“Merger Agreement”). The Merger Agreement provides for a business combination in which a newly formed wholly-owned subsidiary of ERI, Colt Sub, will merge with and into CEC, with Colt Sub merging out of existence and CEC continuing as the surviving corporation and a direct wholly-owned subsidiary of ERI. Upon approval of the Merger Agreement, ERI will become the parent holding company for Atlantic City casino licensees – Bally’s AC, Caesars AC, Harrah’s AC and CIENJ, CEC’s New Jersey internet affiliate casino licensee and Tropicana Atlantic City Corp. d/b/a Tropicana Casino and Resort (“Trop AC”).

Pursuant to the initial Merger Agreement, ERI would acquire all of the outstanding shares of CEC for a total value of \$12.75 per share, consisting of \$8.40 per share in cash consideration and 0.0899 shares of ERI common stock for each CEC share of common stock based on ERI’s 30-calendar day volume weighted average price per share as of May 21, 2019. Total consideration approximated \$17.3 billion, comprised of \$7.2 billion in cash, approximately 77 million ERI common shares and the assumption of CEC outstanding net debt.

The terms of the Merger Agreement require ERI to reincorporate from Nevada to Delaware. The Delaware conversion is to become effective immediately upon the consummation of the Merger and ERI’s name will change to Caesars Entertainment, Inc. (“New Caesars”). Immediately prior to the effective date, CEC shares will be converted automatically into cash and/or New Caesars shares at the election of the holder. Under the terms of the Merger Agreement, ERI and

CEC shareholders were initially expected to hold approximately 51% and 49%, respectively, of New Caesars outstanding common stock.

In connection with the execution of the Merger Agreement, ERI entered into a Master Transaction Agreement with VICI Properties, L.P. (“VICI REIT”) dated June 24, 2019 (the “MTA”). Pursuant to the MTA, VICI REIT, through the exercise of certain call rights acquired in 2017 as a part of CEC’s restructuring, will purchase the real estate assets of Harrah’s AC, Harrah’s Laughlin Hotel & Casino and Harrah’s New Orleans Hotel & Casino for \$3.2 billion. Just under \$600 million of the purchase price is attributed to Harrah’s AC (D-1 at 6).<sup>1</sup>

At its July 11, 2017 meeting, the Commission approved the Non-CPLV Master Lease (“Master Lease”) between CEC entities and a subsidiary of VICI REIT which included the real estate assets of Bally’s AC and Caesars AC. (Commission Resolution No. 17-07-11-10). Petitioners now seek to add Harrah’s AC to the Master Lease. Annual rent under the VICI REIT Master Lease will increase to approximately \$154 million with \$51 million attributable to Harrah’s AC (D-1 at 6).

If approved, upon consummation of the Merger, ERI will become the parent holding company of four of the casino hotel facilities in Atlantic City. ERI must clearly and convincingly demonstrate its good character, honesty and integrity under *N.J.S.A. 5:12-85* and 89b(2), as well as its financial stability, integrity and responsibility under *N.J.S.A. 5:12-85* and 89b(1). Additionally, it must satisfy

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<sup>1</sup> “D” refers to Division exhibits. “P” refers to petitioners exhibits. “T1” refers to the transcript of July 15, 2020. “T2” refers to the transcript of July 16, 2020. “T3” refers to the transcript of July 17, 2020.



the technical requirements of *N.J.S.A. 5:12-82* and *N.J.S.A. 5:12-82d(7)* and (9) and -105 by providing in its corporate charter that a disqualified security holder must dispose of its interest. ERI must also demonstrate that its holding of the additional casino licenses of Bally's AC, Caesars AC and Harrah's AC will not cause undue economic concentration under *N.J.S.A. 5:12-82e*.

### **III. FINANCIAL STABILITY**

Approval of the Merger requires ERI to establish by clear and convincing evidence that it will continue to possess the financial stability, integrity and responsibility required by *N.J.S.A. 5:12-84a* post-merger.

At the closing, ERI expects to need \$13.93 billion to fund the Merger which would include acquiring CEC's outstanding common stock, refinancing a portion of CEC's outstanding debt, satisfying transaction fees and expenses, and paying the Ticking Fee to CEC shareholders. Post-merger, New Caesars is expected to have \$14.823 billion in debt, with \$9.74 billion in debt at a subsidiary of CEC and \$5.099 billion in ERI debt at New Caesars. Pre-COVID-19, ERI projected that it had enough financial flexibility to address cash needs through 2022, repay over \$2 billion in debt through year 2022 and have access to \$2 billion in Revolver Credit facilities (D-1 at 36-38). Unfortunately the COVID-19 pandemic and related casino closures devastated the casino industry, obliterating operating results and cash flow across the industry, including those of ERI and Caesars. ERI Chief Executive Officer ("CEO") Thomas Reeg testified that ERI suffered a billion dollars in losses as a result of the COVID-19 shutdown (T1 at 108). As a result, ERI's anticipated debt level post-merger rose by approximately

\$1.63 billion, its annual debt service obligations and lease payments rose by \$458 million and its available borrowing capacity reduced to \$686 million (D-1 at 45-46).

ERI Chief Financial Officer (“CFO”) Bret Yunker testified that in April 2020 ERI recognized that its debt levels would be elevated and its liquidity limited if it did not raise capital beyond its bank commitments (T1 at 163). In early June 2020, ERI took action to enhance its financial liquidity. Mr. Yunker detailed ERI’s strategic plan to improve its liquidity – an equity offering which resulted in the sale of an approximately 20% stake in ERI at a premium, an incremental increase in its borrowing capacity on the Revolver Credit Facilities and the entry into a \$500 million transaction with VICI REIT that contemplates a mortgage loan on the new CEC Las Vegas convention center and proceeds from the sale of adjacent land (T1 at 164-167). ERI also finalized the debt borrowings associated with the Merger which would provide additional financial resources. Post-merger, Mr. Yunker testified that ERI will have approximately \$4 billion of total liquidity (T1 at 167).

Mr. Yunker also testified that he is confident that operations will be normalized, returning to pre-COVID 19 numbers by the end of 2021 (T1 at 183). He further testified that in the event of any unanticipated shortfalls in the future, New Caesars can access its credit facilities and will consider other transactions to enhance liquidity (T1 at 166). Mr. Yunker highlighted future financial flexibility by noting that New Caesars’ first debt maturity is in December of 2024 which gives it “four years to work through integration, manage near-term

instability stemming from the health crisis, de-leverage our business, and optimize our asset base . . . .” (T1 at 169).

The Division of Gaming Enforcement (“Division”) recommended a number of conditions that will allow it to closely monitor ERI’s financial condition post-merger (D-4). Mr. Yunker verified that ERI consents to the conditions and intends to abide by them (T1 at 181). In light of the ongoing uncertainty as a result of the COVID-19 pandemic, intensive ongoing monitoring is reasonable and appropriate and we support the imposition of the Division’s recommended financial monitoring conditions.

Upon a review of the record, and in light of the testimony presented, we find that ERI and its subsidiaries will continue to possess the financial stability required by *N.J.S.A. 5:12-84a* following the merger with CEC.

#### **IV. QUALIFIERS**

Colt Sub, a special purpose Delaware corporation formed in June 2020 for the sole purpose of effectuating the merger of ERI and CEC. It is a required entity qualifier which will cease to exist upon consummation of the Merger. After the closing on the Merger, ERI will convert to a Delaware corporation and change its name to Caesars Entertainment, Inc., informally referred throughout these proceedings as New Caesars. New Caesars will be parent holding company of ERI post merger.

The intermediary holding companies of CEC properties will remain the same post-merger. Tropicana Entertainment, Inc. (“TEI”) will remain the intermediary holding company of Trop AC. Each were previously plenary

qualified and each such plenary qualification is unaffected by the Merger: CEC, CGP, CRD, and CEOC, and as to Caesars AC only, Caesars World, LLC and Caesars New Jersey, LLC, and, as noted, TEI will remain the intermediary holding company of Trop AC with New Caesars as its ultimate parent (D-1 at 10-11). See, Resolution Nos. 17-07-11-10 and 19-06-11-21.

Recreational Enterprises, Inc. ("REI") as of March 18, 2020, held an 11.06% of issued and outstanding common stock of ERI (D-1 at 11). REI was previously found qualified by the Commission as a security holder pursuant to *N.J.S.A. 5:12-85.1* in connection with ERI's plenary qualification. See, Resolution No. 19-06-11-21. REI's qualification is also unaffected by the Merger.

As of August 9, 2019, Carl Icahn and related entities held a 17.55% of the issued and outstanding common stock of CEC (D-1 at 12). Mr. Icahn and related entities were previously found qualified by the Commission and remain qualified. See, Resolution Nos. 10-11-10-21 and 15-06-10-9. However, two entities, High River Limited Partnership and Hopper Investments LLC, which together hold a small percentage of Icahn's shares, have not been previously qualified by the Commission. The Division intends to address this and other qualification issues arising out of CEOC's recent bankruptcy and Icahn's ownership interest in CEC in the immediate future as a part of the pending casino license resubmissions of Bally's AC, Caesars AC and Harrah's AC (D-1 at 12).

The Division previously issued waivers pursuant to *N.J.S.A. 5:12-85.1g* to a number of ERI and CEC institutional investors owning over 5% of their respective common stock. Post-merger, additional institutional waivers may

become necessary. Through a recommended condition the Division seeks to require that New Caesars takes all necessary steps within 60 days of the Merger closing to ensure appropriate waiver certifications are filed (D-4).

New Caesars required natural person qualifiers, Anthony L. Carano, President and Chief Operating Officer; Gary L. Carano, Executive Chairman of the Board; Jeffrey P. Hendricks Vice President (“VP”) Compliance; Stephanie Lepori, Chief Administrative Officer; Edmund L. Quatmann, Jr. Executive VP, Chief Legal Officer and Secretary; Thomas R. Reeg, CEO and Director; Bret D. Yunker, CFO; Stephen Callender, Senior VP of Regional Operations (New Caesars Regional President); Karen Brugler, Director of Internal Audit; Karl Stingily, Chief Internal Auditor; and Anthony Rodio, CEO, CEC (New Caesars Strategic Advisor) have either previously been found qualified by the Commission or hold a valid key license and remain licensed or qualified in connection with their positions at New Caesars. Likewise, Bonnie Blumi, current Director, ERI; Frank J. Fahrenkopf, Jr., current Director, ERI; Michael E. Pegram, current Director, ERI; David P. Tomick, current Director, ERI; Janis Jones Blackhurst; current Director, CEC; Keith Cozza, current Director, CEC; Donald Kornstein, current Director, CEC; Courtney Mather, current Director, CEC and James L. Nelson, current Director, CEC, the remaining proposed members of the Board of Directors of New Caesars, were each previously qualified by the Commission and their qualification remains unaffected by the Merger.

ERI recently identified additional executive staff for post-merger New Caesars which the Division Director also designated as required qualifiers in

connection with the proposed Merger. On July 1, 2020, ERI filed Joint Petition No. 1882001, amended on July 8, 2020, seeking temporary key licensure and qualification for Kevin Fulmer, VP Digital Sports, Caesars Interactive Entertainment, Inc. and CIENJ and temporary qualification for Keith Causey, Senior VP Strategic Business Service & Information Technology; Brandi Ellis, Senior VP, VIP Marketing; Eric Golebiewski, VP, Security Operations; Josh Jones, Senior VP of Operations and Gregg Klein, VP of Operations. Although related to the Merger, PRN 1882001 was addressed as a separate matter with our final action reflected in Resolution No. 20-07-15-17.

The Division recommends that the Commission adopt a condition that requires New Caesars to provide an organizational plan within 60 days of the closing of the Merger addressing proposed changes to casino key employee and/or qualifier positions at Bally's AC, Caesars AC or Harrah's AC and that no person may perform any duties or responsibilities of positions requiring licensure or qualification without first obtaining temporary or plenary approval (D-4).

**V. UNDUE ECONOMIC CONCENTRATION**

At the time of its adoption, the Casino Control Act ("Act") prohibited any person from owning more than three Atlantic City casinos. *P.L. 1977, c.110, § 82e*. Then as now the Legislature specifically enumerated the following as one of the policies underlying the Act:

Since the economic stability of casino operations is in the public interest and competition in the casino operations in Atlantic City is desirable and necessary to

assure the residents of Atlantic City and of this State and other visitors to Atlantic City varied attractions and exceptional facilities, the regulatory and investigatory powers and duties conferred by this act shall include the power and duty to regulate, control and prevent economic concentration in the casino operations and the ancillary industries regulated by the act, and to encourage and preserve competition. [*N.J.S.A. 5:12-1b(12)*].

In 1995, the Legislature eliminated the three-license limitation and replaced it with the following:

No person shall be issued or be the holder of a casino license if the issuance or the holding results in undue economic concentration in Atlantic City casino operations by that person. [*P.L. 1995, c.18 § 23; N.J.S.A. 5:12-82e.*]

By legislative amendment, *P.L. 2011, c. 19, § 46*, effective February 1, 2011, the Legislature incorporated the Commission's undue economic concentration regulations, previously detailed at *N.J.A.C. 19:43-3.1* into the Act at Section 82e. The Act defines "undue economic concentration" as:

such actual or potential domination of the casino gaming market in Atlantic City as to substantially impede or suppress competition among casino licensees or adversely impact the economic stability of the casino industry in Atlantic City. *N.J.S.A. 5:12-82e.*

Section 82e further specifies eleven categories in which the existing market share of a person seeking a ruling as to economic concentration must be measured: i. the total number of licensed casinos in this State; ii. total casino and casino simulcasting facility square footage; iii. number of guest rooms; iv. number of slot machines; v. number of table games; vi. net revenue; vii. table

game win; viii. slot machine win; ix. table game drop; x. slot machine drop; and xi. number of persons employed by the casino hotel. *N.J.S.A. 5:12-82e.(1)*.

Additional factors which the Commission must consider in determining whether a proposed transaction will result in undue economic concentration, include: the increase in market share in the above categories which would result from the transaction; the market shares of other casino licensees; the current and projected future financial condition of the casino industry; current market conditions, including the level of competition, consumer demand, market concentration and any consolidation trends in the industry; whether the licensed casinos have separate organizational structures or other independent obligations; the impact on the projected growth and development of the industry and Atlantic City; barriers to entry into the casino industry; whether consummation of the transaction will adversely affect consumer interests or is likely to enhance the quality of products and services offered to the public; whether any restrictions on approval of the transaction are necessary to encourage and preserve competition and to prevent undue economic concentration; and other evidence deemed relevant by the Commission. *N.J.S.A. 5:12-82e.(2)-(11)*.

In the matter before us, ERI presently owns and operates one of the nine existing Atlantic City casino licensees, Trop AC, and if the Merger is approved, would own Caesars' three Atlantic City properties, Caesars AC, Harrah's AC and Bally's AC. There is a pending sale of Bally's AC to a subsidiary of Twin River Worldwide Holdings Inc. ("Twin River") pursuant to an asset purchase agreement



entered into on April 24, 2020. If the sale of Bally's AC to Twin River is consummated, Bally's AC will at such time be owned by an additional independent operator. The sale is expected to close prior to year's end. Each of the remaining five properties, Borgata Hotel Casino and Spa, Golden Nugget Hotel and Casino, Hard Rock Hotel and Casino, Ocean Casino and Resort and Resorts Casino and Hotel, are independently owned.

To aid the Commission in its analysis, both the Petitioners and the Division filed reports by, and adduced testimony from experts: Dr. Martin K. Perry for the Division (D-2, in evidence) and Dr. Timothy Watts for ERI (P-1 and P-2, in evidence).

Both Dr. Perry and Dr. Watts analyzed the Merger transaction under the Act's section 82e criteria and the Herfindahl-Hirschman Index ("HHI" or "index"), which is a tool adopted by the Department of Justice ("DOJ") and the Federal Trade Commission ("FTC") to assess the impact of mergers and acquisitions on competition (D-2, P-1 and P-2).

Section 82e(1) requires that the Commission consider the percentage shares of the Atlantic City casino industry that each licensee currently controls and how the transfer would change those shares. The Act specifies that shares should be measured for eleven categories. Dr. Perry reported that depending upon the statistical category evaluated, New Caesars market share would range from a low of 34% (number of table games) to a high of 48% (number of guest rooms and casino gaming square footage). He further opined that New Caesars' average market share would be 42.3% with the remaining independent casino

operators' combined market shares at 57.7% moving the Atlantic City casino industry to "highly concentrated" (D-2 at 10, *Figure 1: Criteria Shares by Casino*).

Dr. Watts also assessed the Merger's impact on market share in the eleven statistical categories (P-1 at 9-11). Dr. Watts notes that the Commission has approved transactions that resulted in higher concentration levels than the proposed merger would yield. Specifically, Dr. Watts notes that the Commission's approval of the Taj Mahal restructuring in 2015 resulted in Caesars owning a 38.5% market share, slightly below the ERI/CEC post merger share of 42.3% (P-1 at 12-13). Dr. Watts also referenced Commission approval of the Harrah's/Caesars merger in 2005 which resulted in Caesars post-merger owning a 37.8% market share (P-1 at 13-15). Dr. Watts asserts the Merger will result in concentration levels similar to those that the Commission previously determined did not result in undue economic concentration (P-1 at 15) (T2 at 14-16). While acknowledging that the DOJ and FTC criteria for conducting an antitrust analysis differs from the criteria in the Act for assessing undue economic concentration, Dr. Watts noted that the staff of DOJ and FTC did in fact complete their review of this transaction without requiring any asset divestiture or imposing any conditions relative to Atlantic City, revealing a determination it did not have any antitrust concerns regarding competition in the Atlantic City area (T2 at 33; T2 at 54).

Dr. Watts maintains that the sale of Bally's AC will significantly reduce ERI/CEC's post-merger market share. He calculates that with the sale of Bally's AC, ERI/CEC's post-merger market share would range from a low of 28.6% (table

game drop) to a high of 40.3% (hotel rooms) with an average across all eleven categories of 35.2%, 7.1 percentage points lower than the ERI/Caesars post-merger without the sale of Bally's AC (P-2 at 4).

Dr. Perry and Dr. Watts also analyzed the transaction under the Horizontal Merger Guidelines ("Guidelines") which are used by the Antitrust Division of the DOJ and the FTC in enforcing the Sherman and Clayton Antitrust Act. The Commission is familiar with the Guidelines, having considered them in prior decisions involving the issue of undue economic concentration. The Guidelines utilize the HHI as a measure of market concentration for merger review. The current Merger Guidelines, issued jointly by the DOJ and FTC in 2010, refer to the HHI as "a useful indicator of likely competitive effects." (D-2 at 8).

In evaluating a merger, DOJ and FTC consider both the post-merger level of concentration, measured by HHI, and the change in concentration measured by the increase in the HHI (referred to as the "delta") that would result from the proposed merger (D-2 at 8). Dr. Perry testified at length regarding the HHI formula. Per the 2010 Merger Guidelines, markets with an HHI below 1,500 are considered unconcentrated; between 1,500 and 2,500 moderately concentrated and above 2,500, highly concentrated (D-2 at 8) (T2-77). Dr. Perry further noted that the thresholds in the 2010 Merger Guidelines are higher than the thresholds in the 1992 Merger Guidelines which were in effect through 2010. The 1992 Merger Guidelines set the HHI threshold for a moderately concentrated market at 1,000 and at 1,800 for a concentrated market (T2 at 76-77).

The 2010 Merger Guidelines also modified the changes in the HHI (deltas) that raise more or less competitive concerns about the effects of a merger. The 1992 Merger Guidelines specified that mergers that led to an increase in HHI of more than 50 points in highly concentrated markets post-merger potentially raise significant competitive concerns and mergers producing an increase in HHI of more than 100 points are likely to create or enhance market power or facilitate its exercise. Dr. Perry testified that the 2010 Merger Guidelines raised this delta threshold, specifying that mergers resulting in highly concentrated markets that involve an increase in the HHI of over 200 points warrant particular scrutiny (T2 at 79).

Dr. Perry calculates that if the ERI/CEC merger is approved the Atlantic City casino industry HHI would average 2,641 (D-2 at 55) (T2 at 80). He further notes that the proposed merger raises the industry HHI delta by an average of 697 points (D-2 at 62) (T2 at 80). Dr. Perry recommended that if the Commission granted approval of the Merger that it consider conditions that reduce concentration levels and preserve competition such as: (1) adopt a remedy that does not increase/or limits the impact on the level of concentration in the market, such as divestitures of Trop AC, Harrah's AC or Bally's AC and Caesars AC, to reduce concentration, or divestiture of Bally's AC or Caesars AC to limit the impact of concentration; (2) require the removal of deed restrictions created by CEI; and (3) identify and protect remaining potential sites on which future competitors could enter with a new casino (T2 at 107-108). Dr. Perry also

acknowledged that capital improvements are important to preserving competition (D-2 at 44) (T2 at 109).

Dr. Watts calculates a post-merger HHI of 2,594, with an average increase in HHI of 700. (P-1 at 11). Dr. Watts noted, however, that with the sale of Bally's AC the post-merger average HHI would be reduced to 2,093. Dr. Watts maintains that even without the sale of Bally's AC, approval of the Merger will not result in undue economic concentration within the meaning of the Act (T2 at 28). Dr. Watts further testified, however, that the sale of Bally's AC reinforced his conclusion that approval of the Merger would not result in undue economic concentration as "[t]he sale would result in lower post-merger shares for Caesars, a lower post-merger HHI, and a higher number of post-merger competitors in Atlantic City. . . ." (T2 at 29).

Although the Commission is familiar with the index from its earlier economic concentration hearings, the Commission has never relied solely on the index as the measure for determining whether there is undue economic concentration for purposes of the Act. Furthermore, the Commission has consistently maintained that market share analysis is only one element of the broad inquiry demanded by *N.J.S.A. 5:12-85e.* and that "[t]he undue economic concentration test should not devolve into a mere numbers game." (*Amended Petition of Park Place Entertainment Corp. and Starwood Hotels & Resorts, Inc. for Approval of a Stock Transfer* (1999 Park Place acquisition of Caesars at 15). Our statutory mandate is to prevent undue economic concentration and to encourage and preserve competition. *N.J.S.A. 5:12-1b(12)* and 82e.

In our view, the Petitioners' decision to divest Bally's AC weighs heavily in their favor. The interest of independent operators new to this market provides evidence of investor confidence that independent operators can be successful in the Atlantic City market. Indeed, the last three years have brought an influx of new operators and properties into the market. In mid-2018, both Hard Rock Hotel and Casino (formerly Taj Mahal) and Ocean Casino and Resort (formerly Revel) completed extensive renovations and successfully opened. Both casinos have shown the ability to compete in the Atlantic City market. Prior to the industry shutdown in March for COVID-19, both properties reported significant gains in gross operating profit. As noted, the sale of Bally's AC to another independent operator will reduce New Caesars' market share as well as industry HHI overall. With the sale of Bally's AC the Merger would result in lower projected HHI and market share than the previously approved merger of Harrah's AC and Caesars AC and there was no statistical evidence presented that the Harrah's AC and Caesars AC merger materially altered Atlantic City's competitive landscape. If the sale of Bally's AC is not completed, however, confidence in the market may be harmed and concerns of undue economic concentration would be heightened. We are satisfied that the conditions recommended by the Division, specifically, recommended conditions number 36, 38 and 39, sufficiently limit New Caesars' ability to restrict competition through efforts to limit development opportunities by existing competitors or future market entrants.

Dr. Perry raised, among other things, the well-known restrictive covenants that Caesars Entertainment placed on former casino properties it once owned in Atlantic City. In his report, he called for the State to lift the restrictions while noting, “[e]xisting operators have an incentive to block competition from new entrants by placing restrictions on the use of these properties.” (D-2 at 47). The Division included the lifting of deed restrictions among its recommended conditions, as Condition 37, and the Petitioners agreed to do so, upon agreement of the current owners (D-4) (T2 at 77-78).

Notwithstanding Petitioners’ consent to recommended Condition 37, we have significant reservations regarding the appropriateness of requiring the restrictions be lifted as a condition of approving the Merger today. It greatly complicates this matter, and this decision, with hypotheticals. Are there potential operators waiting for the opportunity to bring small, outdated, and shuttered casinos back to life? In the end, it is an academic exercise seeking to remedy perceived ills not related to the Merger plan that is before us.

In reality, we remain in the midst of a historic business disruption caused by the spread of COVID-19. As noted during these proceedings, recovery in New Jersey has begun, but there have been setbacks in other states. The level of economic uncertainty raised by the COVID-19 pandemic remains very high. Under questioning, the economic experts could not predict whether New Jersey’s casino industry is on better footing for recovery compared to other states. The benefit of more time will allow further study and deliberation on whether or not the restrictions should be lifted as well as the timing of any changes. This

discussion should include all stakeholders and consider all viewpoints. We see no way to achieve that as part of these proceedings on the merger transaction.

Another matter of concern related to this transaction has been the leasing structure of casinos in CEC's local portfolio. The merger will expand this arrangement with the proposed transfer of Harrah's AC's real estate assets to VICI REIT. After this transaction, all of New Caesars' Atlantic City casinos will be leased from one of two REITs. New Caesars will be a casino operator only, and it will make rent payments for the real estate it previously owned. The methodology to determine lease payments and the allocation of lease payments among the properties has not been presented to this Commission. The Division recommends a condition that New Caesars submit this information within ten days prior to implementation (D-4).

The Division reports that since Bally's AC and Caesars AC have been owned by VICI REIT and operated under the leases, they have suffered from relatively low capital investment. The Division also notes the same dynamic relative to GLPI REIT's ownership of the land under Trop AC. The Division's observation comports with Dr. Perry's analysis that REIT ownership of the real estate associated with a casino-hotel could act as a disincentive to capital investment in casino operations. (D-2 at 42-45). ERI CFO Bret Yunker disagreed with the Division and Dr. Perry's categorization, noting that ERI believed "that Caesars' lack of spend on its Atlantic City leased assets has been driven by corporate decision related to capital allocation. . . ." (T1 at 175). Mr. Yunker further testified that ERI makes its corporate decisions on where to invest capital



regardless of the assets' leases (T1 at 176). Concern regarding the clear trend of lower capital investment occasioned with REIT ownership gave rise to recommended conditions that require, among other things, New Caesars spend a minimum of \$400 million in capital expenditures at Caesars AC, Harrah's AC and Trop AC over a three-year period. If Bally's AC is not sold by the end of this year, an additional \$125 million in capital expenditures will be added, also to be spent over three years (D-4). These capital expenditure funds will be deposited into a trust and administered by an independent trustee here in New Jersey. The proposed Trust Agreement detailing the terms of the Trust and naming former New Jersey Attorney General, John Farmer, as Trustee was introduced during these proceedings for our review and approval (P-5). After the three-year period expires, the Petitioners will commit five percent of Atlantic City revenues for capital investment at the properties (D-4).

If the capital investments required for the first three years are not made, the casino license hearings of the properties will be automatically reopened before this Commission. In our view, these strong measures are absolutely required. They will resolve the underinvestment that has negatively impacted the performance of the properties, and restore them to the exceptional facilities the Act requires and this State expects. The Petitioners have agreed to these conditions and their commitment to invest capital regardless of whether they own the real estate of each casino is now a matter of record. This Commission expects to be kept aware of the Petitioners' progress regarding the capital expenditure conditions and any shortcomings in satisfying them. In order to

provide complete transparency regarding this important matter we require the Petitioners to provide, through their counsel, copies of the Capital Expenditure Plan, any amendments, and all stipulated notices to the Commission Chairman.

We separately address the Petition of ERI, et al. and VICI, et al. related to the sale of Harrah's AC's real estate assets pursuant to the MTA. (PRN 3571901). We are satisfied that together with the conditions recommended by the Division with respect to the Merger petition, the relief requested in that matter should be granted subject to additional conditions that impose enhanced financial stability requirements on the prospective Landlord, Harrah's Atlantic City, LLC. (See, Resolution Nos. 17-05-10-13 and 18-08-08-13). Our determination in that matter is reflected in Resolution No. 20-07-15-15.

The Division has recommended forty conditions be placed on our approval and, as we have heard through sworn testimony, the Petitioners have stipulated to all of the conditions. For the reasons we expressed, we will not be adopting recommended Condition 37. The remaining conditions put great responsibility on the Division. It is the Division's duty to monitor and ensure New Caesars meets its commitments and satisfies all of its responsibilities under the Casino Control Act. New Jersey's regulatory structure requires a five-year review of each casino license and any conditions. Moreover, the Division director has the authority to reopen license hearings before this Commission at any time. The public can be assured this body stands ready to fulfill its duties and resume hearings whenever necessary.

## **VI. FINDINGS AND RULINGS**

Based upon consideration of the entire record of these proceedings, and subject to the conditions set forth herein, the Commission issues the following declaratory rulings and makes the following findings:

1. The plan of Merger between ERI and CEC is APPROVED;
2. ERI established by clear and convincing evidence that following the Merger, Caesars Entertainment, Inc. (f/k/a ERI), is qualified as the holding company of CEC and its subsidiaries;
3. ERI established by clear and convincing evidence that following the Merger, each of the entities required to qualify in connection with the Merger is qualified pursuant to *N.J.S.A. 5:12-82, -83, -84, -85, -85.1, and -105*, as applicable. Specifically, each has established that it possesses the financial stability, integrity and responsibility and the good character, honesty and integrity required by *N.J.S.A. 5:12-84 and -85.1*;
4. ERI established by clear and convincing evidence that each officer, director or other qualifier whose qualification must be established for the purpose of these proceedings is either plenary qualified pursuant to *N.J.S.A. 5:12-85, -85.1 and -89* and, where required, licensed as a casino key employee pursuant to *N.J.S.A. 5:12-89*, or has been temporarily licensed or qualified or waived from qualification;
5. ERI established that post Merger, its casinos and related facilities will remain suitable and that their locations will not adversely affect casino operations as required by *N.J.S.A. 5:12-83a and -84e.*;
6. The holding by ERI of the casino licenses of Bally's AC, Caesars AC and Harrah's AC, in addition to Trop AC, will not result in undue economic concentration in Atlantic City casino operations within the intent of *N.J.S.A. 5:12-82e.*;
7. The Trust Agreement (P-5) between ERI, a Nevada Corporation (to be renamed Caesars Entertainment, Inc. and converted to a Delaware Limited Liability Company), Caesars Resort Collection, LLC, a Delaware Limited Liability Company and John J. Farmer, Jr., as Trustee is APPROVED;
8. John J. Farmer, Jr. is hereby found qualified to serve as Trustee in connection with the Trust Agreement in accordance with *N.J.S.A. 5:12-85.1a.*

9. New Caesars shall provide the Commission Chairman with a copy of its Cap Ex plan and any amendments or updates, including spending updates as specified below.

## **VI. ADDITIONAL CONDITIONS**

Based on the entire record of the proceedings, the findings and rulings set forth herein are subject to the conditions stated above and to the following:

1. New Caesars shall submit final copies of the documents associated with the Merger within 10 days of any closing.
2. No later than 30 days after any closing date of the Merger, New Caesars shall submit to the Division a listing of all shareholders that own over 5% of the issued and outstanding shares of New Caesars' common stock.
3. No later than 30 days after any closing date of the Merger, New Caesars shall submit to the Division a listing of all holders of 25% or more of the New ERI Secured Notes, New ERI Unsecured Notes, or New CEC Notes.
4. For any holders of over 5% of New Caesars' common stock or holders of over 25% of the New ERI Secured Notes, New ERI Unsecured Notes, or New CEC Notes which may be institutional investors, New Caesars shall arrange and take all steps with such institutional investors to ensure that within 60 days after any closing date of the Merger the necessary certifications are filed with the Division to seek a waiver of qualification pursuant to *N.J.S.A. 5:12-85.1g*.
5. No later than 30 days after any closing date of the Merger, New Caesars shall submit to the Division for review and approval an organizational plan addressing proposed changes to casino key employee and/or qualifier positions at any of its Atlantic City casino licensees. No person shall perform the duties and responsibilities of any position requiring casino key employee licensure or qualification until appropriately temporarily or plenary licensed or qualified.
6. No later than 60 days after any closing date of the Merger, New Caesars shall confirm to the Division that its independent audit committee will continue to be governed by the ERI audit committee charter approved by Director Order PRN 2321801(a) on August 23, 2018. Should New Caesars thereafter determine that any amendments to the Eldorado audit committee charter are required, it shall comply with the Division

submission, review and approval requirements of *N.J.A.C.* 13:69D-1.11(c)4.

7. No later than 30 days after any closing date of the Merger, New Caesars shall notify the Division regarding the composition of its independent audit committee. In the event that any proposed independent audit committee member is not yet qualified, New Caesars shall ensure that any such member is appropriately temporarily or plenary qualified prior to serving on that committee.
8. No later than 60 days after any closing date of the Merger, New Caesars shall confirm to the Division that it will continue to utilize the ERI Amended and Restated Gaming Compliance Plan approved by Director Order PRN 2321801(b) on August 24, 2018. Should New Caesars thereafter determine that any amendments to the ERI Amended and Restated Gaming Compliance Plan are required, it shall comply with the Division submission, review and approval requirements of *N.J.A.C.* 13:69C-8.8.
9. No later than 30 days after any closing date of the Merger, New Caesars shall notify the Division regarding the composition of its compliance committee. In the event that any proposed compliance committee member is not yet qualified, New Caesars shall ensure that any such member is appropriately temporarily or plenary qualified prior to serving on that committee.
10. No later than 60 days after any closing date of the Merger, New Caesars shall submit to the Division for review and approval an Equal Employment Business Opportunity Plan setting forth uniform policies and procedures to be applied to all the Atlantic City casino licensees.
11. Within 30 days of any closing date of the Merger, ERI shall provide the Division with updated forecasts (Updated Forecasts) in the same format as those submitted on April 30, 2020, which shall include the actual sources and uses of cash on the closing date, the actual post-Merger debt structure and debt service requirements, and updated operating projections and cash flows based upon current circumstances and recent financial transactions.
12. No later than 20 days after the end of each calendar quarter, New Caesars shall submit to the Division a schedule detailing the amounts borrowed, amounts committed to support letters of credit or other obligations, and remaining borrowing capacity on the New ERI Revolver,

the CEC Revolver, and any other revolving credit facility as of the last day of the preceding quarter.

13. No later than 20 days after the end of each month, New Caesars shall submit to the Division a schedule detailing any operating limitations or restrictions stemming from the COVID-19 health crisis on each property in New Caesars' portfolio, along with an estimate of the impact of those limitations or restrictions on actual and projected net revenue results. This submission requirement would cease upon the full resumption of casino gaming activity at all of New Caesars' properties with no restrictions.
14. No later than 20 days after the end of each month, New Caesars shall submit to the Division a comparison of the actual monthly net revenue and Property EBITDA to the Updated Forecasts, with an explanation of any variances in excess of 10% per property.
15. No later than 20 days after the end of each calendar quarter, New Caesars shall submit to the Division a comparison of the actual post-Merger sources and uses of cash to the Updated Forecasts, with an explanation of any variances in excess of 10% per category.
16. No later than 30 days after any closing date of the Merger, New Caesars shall submit to the Division a comparison of the actual CEC and ERI Leverage Ratio to the Updated Forecasts.
17. At least 15 days prior to the due date under the Division's regulations, New Caesars shall submit to the Division a draft of the first quarterly financial report due after any approval of the Merger for Bally's AC, Caesars AC, Harrah's AC, and CIENJ, along with a detailed summary of the changes stemming from the Merger.
18. New Caesars shall submit to the Division the methodology for and proposed allocation of lease payments under the Master Lease with VICI REIT as to Caesars AC and Harrah's AC, if applicable, as well as Bally's AC if the sale of that property is not completed, and every other property subject to the Master Lease at least 10 days prior to implementation.
19. New Caesars shall submit to the Division the methodology for and proposed allocation of any New Caesars debt obligations to Caesars AC, Harrah's AC, or Trop AC, as well as Bally's AC if the sale of that property is not completed, at least 10 days prior to implementation.
20. No later than 90 days after any closing date of the Merger, New Caesars shall submit to the Division detailed operational improvement plans for

Caesars AC, Harrah's AC, and Trop AC, as well as Bally's AC if the sale of that property is not completed, for the 36 months following closing of the Merger, which shall include target dates for the completion of each major aspect of such plans.

21. No later than 20 days after the end of each calendar quarter, New Caesars shall submit a report to the Division detailing its progress toward meeting the goals of the operational improvement plans submitted in compliance with Condition 20.
22. In the event that New Caesars contemplates any reduction in staffing at its Atlantic City casino hotel facilities, New Caesars (1) shall submit a detailed plan identifying positions and setting forth substantiation and reasoning for such cutbacks and (2) shall request prior written approval from the Division for any reduction in the number of Atlantic City-based employees at any individual casino hotel property by more than a total of 50 full-time and part-time employees from the number of full-time and part-time employees reported to the Commission in the corresponding month between March 2019 and February 2020. In light of the industry shutdown and operating restrictions due to COVID-19, compliance with this condition shall be deferred until the earlier of: (1) 12 months from the reopening date of each property or (2) the first calendar month after gross casino revenue at each property is at least 90% of that reported for the corresponding calendar month between March 2019 through February 2020.
23. Within 90 days of any closing date of the Merger, New Caesars shall submit a detailed plan to the Division identifying any synergy Measures that will impact Caesars AC, Harrah's AC, or Trop AC, as well as Bally's AC if the sale of that property is not completed. None of the proposed synergy Measures that will impact the Atlantic City casino licensees, or any corporate or support staff that work in Atlantic City, may be implemented without the Division's prior written consent or approval, as appropriate.
24. New Caesars shall pay, as and when due, all local, state and federal taxes, including the full amount of real estate taxes or PILOT obligations as invoiced by the City of Atlantic City, as well as any fees imposed by the Act or the regulations promulgated pursuant thereto, related to Caesars AC, Harrah's AC, Trop AC, and CIENJ, as well as Bally's AC until such time as that property is sold.
25. New Caesars shall spend a minimum of \$400 million in total capital expenditures for Caesars AC, Harrah's AC and Trop AC for the 36 months following the date of the Division's written approval of the CapEx Plan,

with at least \$150 million of that total spent for capital expenditures at Caesars AC during that 36-month period, or the casino licenses will be automatically reopened.

26. New Caesars shall place in trust, under the control of an independent trustee, the \$400 million associated with the CapEx Plan in a dedicated bank account with a financial institution that has a physical location in New Jersey before or on any closing of the Merger, with those funds only disbursed in accordance with a trust agreement approved by the Division and the Commission. In the event that the \$400 million trust account is not fully funded before or at any closing of the Merger, any approval issued by the Commission for the Merger shall be automatically rescinded and be null and void.
27. No later than 60 days after any closing date of the Merger, New Caesars shall submit to the Division for its written approval a detailed CapEx Plan for Caesars AC, Harrah's AC and Trop AC for the next 36 months, which shall include target dates and a budget for the completion of each major aspect of such plan. The CapEx Plan shall detail all deficiencies at the properties and the manner in which they will be addressed and cured, or the casino licenses will be automatically reopened.
28. No later than 12 months after approval of the CapEx Plan, New Caesars shall document to the Division that it spent a minimum of \$200 million in capital expenditures, with a minimum of \$75 million of that total amount spent on capital expenditures at Caesars AC, or the casino licenses will be automatically reopened.
29. No later than 24 months after approval of the CapEx Plan, New Caesars shall document to the Division that it spent a minimum of \$325 million on capital expenditures, with a minimum of \$125 million of that total amount spent on capital expenditures at Caesars AC, or the casino licenses will be automatically reopened.
30. In the event New Caesars completes a sale of an Atlantic City property beyond Bally's AC, the CapEx Plan shall be amended to provide that any remaining capital expenditure budget associated with the divested property will be allocated among the remaining New Caesars' properties in Atlantic City.
31. If the Bally's AC sale is not consummated by December 31, 2020, New Caesars shall submit to the Division, within 60 days of December 31, 2020, for its written approval a detailed CapEx Plan for Bally's AC for the next 36 months, which shall include target dates and a budget for the



completion of each major aspect of such CapEx Plan. The Bally's AC CapEx Plan shall detail all deficiencies at the property and the manner in which they will be addressed and cured, or the casino license of Bally's AC will be automatically reopened.

32. If Bally's AC is not divested by December 31, 2020, New Caesars shall, within 30 days of December 31, 2020, add a minimum of \$125 million to the trust account arrangement approved pursuant to Condition 26 for capital expenditures on that property within the first 36 months after the approval of the Bally's AC CapEx Plan, with at least \$75 million expended within 12 months and \$100 million expended within 24 months.
33. No later than 20 days after the end of each calendar quarter, New Caesars shall submit a report to the Division detailing its progress toward meeting the CapEx Plan and, if applicable, the Bally's AC CapEx Plan in accordance with Conditions 25 through 32 above.
34. After the 36-month period of the CapEx Plan, New Caesars shall spend at least 5% of the net revenue of each of Caesars AC, Harrah's AC, Trop AC, and Bally's AC if the sale of that property is not completed, on capital expenditures at each of those respective properties on an annual basis.
35. After the 36-month period of the CapEx Plan, New Caesars shall submit a report to the Division detailing its compliance with the CapEx requirements in Condition 34 no later than 30 days after the end of each calendar year.
36. New Caesars is prohibited from closing any Atlantic City property or operating any such property in any partial or limited manner, except as required by governmental restrictions, for a period of at least five years after closing of the Merger. If upon the expiration of five years after the Merger New Caesars seeks to cease the operation of an Atlantic City property, such property may not be closed without first engaging in a sale process for such property for at least 18 months, during which time the casino property for sale must remain fully operational, in first class condition in accordance with the Act, and with continued capital expenditures in accordance with Condition 34.
37. [Intentionally Left Blank]
38. New Caesars, VICI REIT and GLPI are prohibited from filing any restrictive covenants on any property they own or control, directly or indirectly, in Atlantic City.

39. No later than 60 days after any closing date of the Merger, New Caesars, VICI REIT, and GLPI shall report all land parcels they own or lease outside of the footprint of Caesars AC, Harrah's AC, and Trop AC, as well as Bally's AC beyond that included in the proposed sale. To the extent any reported land parcels are sought for the construction of a new casino hotel or an expansion of an existing casino hotel, those land parcels shall be sold by New Caesars on commercially reasonable terms as determined by an independent expert, if necessary.
40. The requirements as set forth in the above Conditions shall not be modified or eliminated except with the approval of the Division Director or his designee, with notice of such approval directed to the Chairman of the Commission.

**IT IS SO ORDERED** on this 17<sup>th</sup> day of July 2020.

NEW JERSEY CASINO CONTROL COMMISSION

By:   
James T. Plousis, Chairman

  
Alisa B. Cooper, Commissioner



# New Jersey Casino Control Commission

## Resolution

### No. 20-07-15-15

RESOLUTION OF THE NEW JERSEY CASINO CONTROL COMMISSION CONCERNING THE JOINT PETITION OF BOARDWALK REGENCY LLC, BALLY'S PARK PLACE LLC, HARRAH'S ATLANTIC CITY OPERATING COMPANY, LLC, HARRAH'S ATLANTIC CITY PROPCO, LLC, ELDORADO RESORTS, INC., VICI PROPERTIES L.P., HARRAH'S ATLANTIC CITY LLC, CAESARS ATLANTIC CITY LLC, AND BALLY'S ATLANTIC CITY LLC FOR (I) A DECLARATORY RULING PURSUANT TO N.J.A.C. 19:40A-3.7 DETERMINING THE LICENSING STATUS OF HARRAH'S ATLANTIC CITY LLC (II) APPROVAL OF THE SALE OF CERTAIN PARCELS OF REAL PROPERTY AND THE BUILDINGS AND OTHER IMPROVEMENTS CONSTRUCTED THEREON; (III) APPROVAL OF THE LEASE AS AMENDED, BY AND AMONG HARRAH'S ATLANTIC CITY LLC, CAESARS ATLANTIC CITY LLC, AND BALLY'S ATLANTIC CITY LLC, AS LANDLORDS AND HARRAH'S ATLANTIC CITY OPERATING COMPANY, LLC, BOARDWALK REGENCY LLC, AND BALLY'S PARK PLACE LLC AS TENANTS; AND (IV) ADDITIONAL RELIEF (PRN 3571901)

**WHEREAS**, Boardwalk Regency LLC ("Caesars Opco"), Bally's Park Place LLC ("Bally's Opco"), Harrah's Atlantic City Operating Company, LLC ("Harrah's Opco"), Harrah's Atlantic City Propco, LLC ("Harrah's RE Owner"), Eldorado Resorts, Inc. (ERI), VICI Properties L.P. ("VICI"), Harrah's Atlantic City LLC ("Harrah's Landlord"), Caesars Atlantic City LLC ("Caesars Landlord"), and Bally's Atlantic City LLC ("Bally's Landlord") (collectively, Petitioners) filed a joint petition on December 23, 2019 seeking a ruling from the New Jersey Casino Control Commission ("Commission") (1) determining that Harrah's Landlord is required to hold a casino service industry enterprise license pursuant to N.J.S.A. 5:12-82c in connection with serving as landlord under the long term, triple net lease agreement dated as of October 6, 2017 ("Regional Lease"), (2) approving the



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sale of certain parcels of real property and the buildings and other improvements constructed thereon referred to as Harrah's Resort Atlantic City ("Harrah's Resort"), (3) approving the Regional Lease, as amended, by and among Harrah's Landlord, Caesars Landlord, Bally's Landlord, and the other landlord entities party thereto, as landlords, and Harrah's Opco, Caesars Opco and Bally's Opco, and the other tenant entities party thereto, as tenants and (4) additional relief; and

**WHEREAS**, Caesars Landlord and Bally's Landlord (among other subsidiaries of VICI and VICI Properties, Inc., a publicly-traded real estate investment trust ("VICI REIT")) are presently landlord parties and Caesars Opco and Bally's Opco (among other subsidiaries of Caesars Entertainment Corporation ("CEC")) are presently tenant parties to the Regional Lease which was approved by the Commission (Resolution No. 17-05-10-13); and

**WHEREAS**, the Commission required that Harrah's Opco and its holding and intermediary companies obtain prior New Jersey regulatory approval to sell or in any way transfer or dispose of its real estate assets to VICI REIT (Resolution No. 17-07-11-10, Condition 8); and

**WHEREAS**, contemporaneously and in conjunction with ERI entering into a Merger Agreement with CEC, ERI and VICI entered into a Master Transaction Agreement ("MTA") dated June 24, 2019; and



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**WHEREAS**, ERI and VICI agreed pursuant to the MTA to (i) consummate three separate real estate sale and leaseback transactions pursuant to which VICI will acquire the real estate assets of Harrah's Resort, Harrah's Laughlin and Harrah's New Orleans and lease each property back to their operator by way of amendment(s) to the Regional Lease; (ii) make certain other amendments to the Regional Lease and the other "triple net" leases by and between subsidiaries of VICI and VICI REIT, as landlords, and subsidiaries of CEC, as tenants; (iii) enter into new parent guarantees from ERI; (iv) enter into certain right of first refusal agreements and a put-call right agreement with respect to the casino real estate outside of New Jersey and presently operated by subsidiaries of CEC; and (v) enter into certain related transactions; and

**WHEREAS**, the Amended Regional Lease, as proposed, has been provided to the Commission and the Division; and

**WHEREAS**, the Division of Gaming Enforcement ("Division") addressed the requested relief in its Report dated June 30, 2020 filed in connection with the ERI/CEC Merger petition (PRN 2481902); and

**WHEREAS**, the Commission considered the entire record of this matter at its public meeting on July 15, 2020 which continued on July 16, 2020 and July 17, 2020.



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**NOW, THEREFORE, BE IT RESOLVED** by the Commission that the requested relief is hereby **GRANTED** based upon and to the extent set forth in the findings and rulings, and subject to the conditions contained in this Resolution as follows:

**FINDINGS and RULINGS**

Based upon consideration of the entire record of these proceedings, the Commission issues the following rulings and makes the following findings:

1. Harrah's Landlord is required to hold a casino service industry enterprise license pursuant to *N.J.S.A. 5:12-82c* in connection with serving as Landlord under the amended Regional Lease.
2. The sale of the real estate assets of Harrah's Resort to VICI pursuant to the MTA is approved subject to applicable conditions imposed in the ERI/CEC Merger (PRN 2481902).
3. As it relates to Harrah's Resort, the Regional Lease, as amended, is approved pursuant to *N.J.S.A. 5:12-82c*.
4. Amendments to the Regional Lease to effectuate the MTA and related purchase and sale agreements are approved.
5. The Chairman of the Commission is hereby delegated the authority to approve amendments to the Master Lease, subject to, and pursuant to the



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terms and conditions provided herein generally, and specifically condition 8.

### **CONDITIONS**

1. Harrah's Landlord shall provide the Division with all requested information and shall otherwise fully cooperate with the Division in fulfilling its regulatory responsibilities;
2. Harrah's Landlord shall comply with the requirements of *N.J.A.C. 13:69J-1.1*, et seq., and although not a holding company of a casino licensee under the Act, shall also comply with *N.J.A.C. 13:69C-1.1*, -1.3, -2.3, -2.5, -2.8, -2.9(a), -8.2 and *N.J.A.C. 13:69D-1.4*;
3. VICI REIT, as parent holding company of Harrah's Landlord, shall additionally comply with the requirements of *N.J.A.C. 13:69C-8.1*, -8.2, -8.6 and *N.J.A.C. 13:69D-1.4* and 1.7;
4. VICI REIT, as parent holding company of Harrah's Landlord, shall comply with the Division's regulations at *N.J.A.C. 13:69C-4.1* et seq. and the Division's other financial reporting regulations applicable to casino licensees, where appropriate and as determined by the Division;
5. VICI and VICI REIT shall comply with Conditions 38 and 39 of Order 20-07-15-14, as applicable to VICI and VICI REIT;



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6. Caesars Opco, Bally's Opco, Harrah's Opco, Caesars Landlord, Bally's Landlord and Harrah's Landlord shall provide the Division with final copies of the amended Regional Lease within five days of execution;
7. Caesars Opco, Bally's Opco, Harrah's Opco, Caesars Landlord, Bally's Landlord and Harrah's Landlord shall immediately notify the Division if any party seeks termination of the Regional Lease;
8. Further amendments to the Regional Lease as they relate to Harrah's Landlord, Caesars Landlord and Bally's Landlord are subject to approval by the Commission upon the filing of a petition with the Division and an opportunity for the Division to submit a report regarding such changes. The Chairman through delegated authority may make a determination on any such amendment petition, following receipt of a responsive Division report, if a proposed amendment does not relate to the "buy-out," "joint and several liability," or "termination" provisions required by *N.J.S.A. 5:12-82c(5) and (10) and -104b*, respectively, which matters must be determined by the full Commission; and
9. The requirements as set forth in the above Conditions shall not be modified or eliminated except with the approval of the Division Director or his designee, with notice of such approval directed to the Chairman of the Commission.

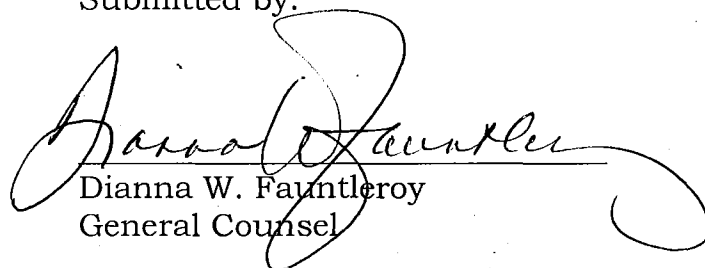




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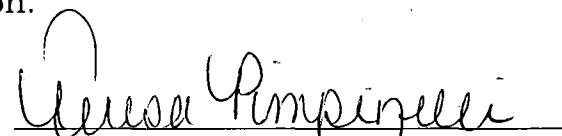
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Submitted by:

  
Dianna W. Fauntleroy  
General Counsel

CERTIFICATION

I HEREBY CERTIFY that this Resolution correctly reflects the decision of the New Jersey Casino Control Commission.

  
Teresa Pimpinelli, Senior Counsel  
for the Executive Secretary

Meeting of July 15-18, 2020

Vote taken on pages 32-33 of July 17, 2020 transcript



# New Jersey Casino Control Commission

## Resolution

### No. 20-07-15-16

RESOLUTION OF THE NEW JERSEY CASINO CONTROL COMMISSION CONCERNING THE LETTER PETITION OF CEOC, LLC FOR APPROVAL OF AMENDMENTS TO THE NON-CPLV LEASE (PRN 1542001)

**WHEREAS**, the Casino Control Commission (“Commission”) at its May 10, 2017 and July 11, 2017 meetings approved the Non-CPLV Lease Agreement and Non-CPLV Management and Lease Support Agreement between Caesars Atlantic City, LLC (“Caesars AC”) and Bally’s Atlantic City, LLC (“Bally’s AC”) as Landlords and Boardwalk Regency LLC (“BR LLC”), successor in interest to Boardwalk Regency Corporation (“BRC”) and Bally’s Park Place LLC (“Bally’s PP LLC”), successor in interest to Bally’s Park Place, Inc. (“Bally’s”) as Tenants under the VICI Properties Inc. (“VICI”) REIT structure (Resolution No. 17-05-10-13 and Resolution No. 17-07-11-11); and

**WHEREAS**, CEOC, LLC (“CEOC LLC”) filed a Letter Petition (PRN 1542001) on May 27, 2020 seeking Commission approval of amendments (collectively the “Omnibus Amendment”) to the Non-CPLV Lease as they apply to the Atlantic City properties, through delegated authority to the Chairman of the Commission pursuant to Condition 7 of Resolution No. 17-05-10-13; and

**WHEREAS**, the Division of Gaming Enforcement (“Division”) determined that it would not report on the proposed Amendments in the context of a response to a request for consideration of the approval of the proposed



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**Page 2**

amendments under delegated authority pursuant to Condition 7 of Resolution 17-05-10-13; and

**WHEREAS**, the Commission, in consultation with the Division determined to consider the matter in connection with the Joint Petition (PRN 2481902) of Caesars Entertainment Corporation ("CEC"), CEOC LLC, Caesars Growth Partners, LLC, Caesars Resort Collection, LLC, Caesars Interactive Entertainment New Jersey, LLC, Bally's PP LLC, BR LLC, Harrah's Atlantic City Operating Company, LLC, Eldorado Resorts, Inc. ("ERI") and Colt Merger Sub, Inc. ("Colt Sub") seeking the approval of the merger of CEC and Colt Sub with CEC surviving as a new wholly-owned subsidiary of ERI; and

**WHEREAS**, the amendments are reflected in an Omnibus Amendment to Leases which has been provided to the Commission and the Division; and

**WHEREAS**, the Division at the public hearing of this matter, did not object to the granting of the requested relief with certain conditions; and

**WHEREAS**, the Commission considered the entire record of this matter at its public meeting held on July 15,16 and 17 2020.

**NOW, THEREFORE, BE IT RESOLVED** by the Commission that the Omnibus Amendment to Leases is **APPROVED** subject to all applicable conditions imposed in the resolution of PRN 2481902 and subject to the conditions set forth herein below:



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**CONDITIONS**

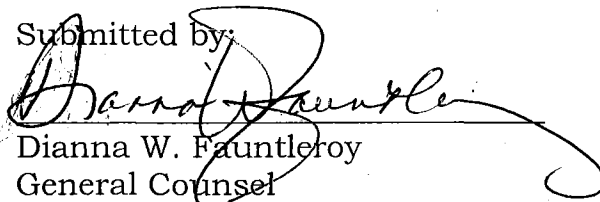
1. CEOC LLC shall provide the Division with final copies of the Omnibus Amendment to Leases within five (5) days of execution;
2. CEOC LLC shall immediately notify the Division if any party seeks termination of the Lease;
3. Amendments to the Master Leases as they relate to CEOC LLC, BR LLC and Bally's PP LLC remain subject to approval by the Commission upon the filing of a petition with the Division and an opportunity for the Division to submit a report regarding such changes. The Chairman through delegated authority may make a determination on any such amendment petition, following receipt of a responsive Division report, if a proposed amendment does not relate to the "buy-out," "joint and several liability," or "termination" provisions required by *N.J.S.A. 5:12-82c(5) and (10) and -104b*, respectively, which matters must be determined by the full Commission; and
4. The requirements as set forth in the above Conditions shall not be modified or eliminated except with the approval of the Division Director or his designee, with notice of such approval directed to the Chairman of the Commission.



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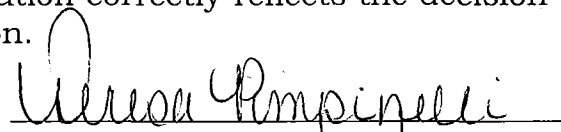
Submitted by:

A handwritten signature in cursive script, reading "Dianna W. Fauntleroy".

Dianna W. Fauntleroy  
General Counsel

CERTIFICATION

I HEREBY CERTIFY that this Resolution correctly reflects the decision of the New Jersey Casino Control Commission.

A handwritten signature in cursive script, reading "Teresa Pimpinelli".

Teresa Pimpinelli, Senior Counsel  
for the Executive Secretary

Meeting of July 15, 2020

Vote taken on page 36 of July 17, 2020 transcript



# New Jersey Casino Control Commission

## Resolution

### No. 20-07-15-17

RESOLUTION OF THE NEW JERSEY CASINO CONTROL COMMISSION CONCERNING THE JOINT PETITION OF ELDORADO RESORTS, INC., TROPICANA ATLANTIC CITY CORP., CAESARS ENTERTAINMENT CORPORATION, AND CAESARS INTERACTIVE ENTERTAINMENT NEW JERSEY, LLC FOR THE TEMPORARY CASINO KEY EMPLOYEE LICENSURE WITH WAIVER OF THE RESIDENCY REQUIREMENT OF KEVIN FULMER PURSUANT TO N.J.S.A. 5:12-89e AND N.J.S.A. 5:12-89b(4) AND REQUESTING PERMISSION FOR KEVIN FULMER, KEITH CAUSEY, BRANDI ELLIS, ERIC GOLEBIEWSKI, JOSH JONES, AND GREGG KLEIN TO ASSUME THE DUTIES AND EXERCISE OF THEIR RESPECTIVE JOB TITLES FOR ELDORADO RESORTS, INC., AND ITS AFFILIATES PURSUANT TO N.J.A.C. 13:69C-2.6 AND 2.7 (PRN 1882001)

**WHEREAS**, Eldorado Resorts, Inc. (“ERI”), Tropicana Atlantic City Corp. (“Trop AC”), Caesars Entertainment Corporation (“CEC”) and Caesars Interactive Entertainment New Jersey, LLC (“CIENJ”) , collectively “Petitioners”, having filed a Joint Petition on July 1, 2020, supplemented by Letter dated July 7, 2020, seeking approval of the New Jersey Casino Control Commission (“Commission”) to have Keith A. Causey (Senior Vice President (“VP”) and Chief Accounting Officer for CEC to be changed to Senior VP, Strategic Business Services and Information Technology), Brandi S. Ellis (Senior VP, VIP Marketing for CEC, Kevin P. Fulmer (VP of Digital Sports for CIENJ), Eric L. Golebiewski (VP, Security Operations for CEC), Josh K. Jones (Senior VP of Operations for ERI) and Gregg M. Klein (VP of Operations for ERI), prior to their plenary qualification, to assume the duties and exercise the powers of their respective job titles within the



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corporate structure of new entity Caesars Entertainment, Inc. ("New Caesars") upon the approval of and the closing of the merger transaction between ERI and CEC and their affiliates, for a nine-month period in accordance with the conditions contained in *N.J.S.A.* 5:12-85.1, *N.J.A.C.* 13:69C-2.6 and *N.J.A.C.* 13:69C-2.7; and

**WHEREAS**, Petitioners also seeks the issuance of a temporary casino key employee license and waiver of the residency requirement for Kevin Fulmer pursuant to *N.J.S.A.* 5:12-89b(4) and -89e and *N.J.A.C.* 19:41A-5.3; and

**WHEREAS**, a Personal History Disclosure Form-3 was filed by Brandi S. Ellis on June 24, 2020, and Multi-Jurisdictional Personal History Disclosure Forms and New Jersey Supplemental Forms were filed by Kevin A. Causey, Kevin P. Fulmer and Eric L. Golebiewski on June 24, 2020, by Josh K. Jones on June 23, 2020 and by Gregg M. Klein on June 11, 2020; and

**WHEREAS**, the Division of Gaming Enforcement ("Division") filed a Letter Report dated July 9, 2020 in which it indicated no objection to the issuance of a temporary casino key employee license with waiver of the residency requirement to Kevin Fulmer and to the temporary qualification of Kevin Fulmer, Keith Causey, Brandi Ellis, Eric Golebiewski, Josh Jones and Gregg Klein to permit them to assume the duties and exercise the powers of their respective titles upon the approval of and the closing of the merger of ERI and CEC; and



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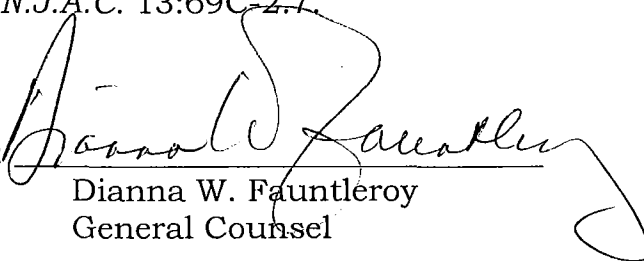
**WHEREAS**, as to Messrs. Causey, Golebiewski, Jones and Ms. Ellis, the Division does not object to the Commission granting the requested relief prior to the expiration of the period specified in *N.J.A.C. 13:69C-2.7*; and

**WHEREAS**, the Commission considered the entire record of this matter contemporaneous with its consideration of the Joint Petition seeking approval of the merger of ERI and CEC (PRN 2481902) at its public meeting of July 15, 16 and 17, 2020; and

**WHEREAS**, the Commission approved the merger of ERI and CEC subject to conditions as set forth in Commission Opinion and Order No. 20-07-15-14.

**NOW, THEREFORE, BE IT RESOLVED** by the Commission that Kevin Fulmer be issued a temporary casino key employee license with waiver of the residency requirement pursuant to *N.J.S.A. 5:12-89b(4)* and *-89e* and *N.J.A.C. 19:41A-5.3* and that Kevin Fulmer, Keith Causey, Brandi Ellis, Eric Golebiewski, Josh Jones and Gregg Klein are temporarily qualified and are hereby authorized to assume the duties and exercise the powers of their respective job titles within the corporate structure of New Caesars subject to the conditions contained in *N.J.S.A. 5:12-85.1*, *N.J.A.C. 13:69C-2.6* and *N.J.A.C. 13:69C-2.7*.

Submitted by:

  
Dianna W. Fauntleroy  
General Counsel



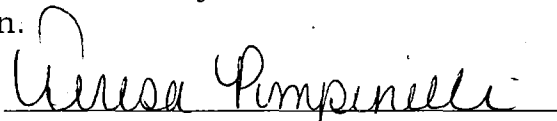


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CERTIFICATION

I HEREBY CERTIFY that this Resolution correctly reflects the decision of the New Jersey Casino Control Commission.

  
Teresa Pimpinelli, Senior Counsel  
for the Executive Secretary

Meeting of July 15, 2020

Vote taken on pages 40-42 of July 17, 2020 transcript



# **New Jersey Casino Control Commission**

## **Resolution**

### **No. 20-07-15-18**

RESOLUTION OF THE NEW JERSEY CASINO CONTROL COMMISSION CONCERNING THE PETITION OF ELDORADO RESORTS, INC. AND TROPICANA ENTERTAINMENT, INC. FOR APPROVAL OF AMENDMENTS TO THE MASTER LEASE AGREEMENT BETWEEN TROPICANA AC SUB CORP. AND GLP CAPITAL, L.P. AS LANDLORDS AND TROPICANA ENTERTAINMENT, INC. AND TROPICANA ATLANTIC CITY CORP. AS TENANTS (PRN 1892001)

**WHEREAS**, the Casino Control Commission (“Commission”) at its August 8, 2018 meeting approved the Master Lease Agreement between GLP Capital, L.P. (“GLP”) and Tropicana AC Sub Corp. (“Trop Sub”) as Landlords and Tropicana Entertainment, Inc. (“TEI”) and Tropicana Atlantic Corp., d/b/a Tropicana Casino & Resorts (“Trop AC”) as Tenants (Resolution No. 18-08-08-13); and

**WHEREAS**, Eldorado Resorts, Inc. (“ERI”), a qualified holding company of casino licensee Trop AC, and its wholly owned subsidiary, TEI, filed a Letter Petition (PRN 1892001) on July 2, 2020 seeking approval of amendments to the Master Lease through delegated authority to the Chairman of the Commission pursuant to Condition 7 of Resolution No. 18-08-08-13; and

**WHEREAS**, the Commission determined to consider the matter in connection with the Joint Petition (PRN 2481902) of Caesars Entertainment Corporation (“CEC”), CEOC, LLC, Caesars Growth Partners, LLC, Caesars Resort Collection, LLC, Caesars Interactive Entertainment New Jersey, LLC, Bally’s Park



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Place, LLC, Boardwalk Regency, LLC, Harrah's Atlantic City Operating Company, LLC, ERI and Colt Merger Sub, Inc. ("Colt Sub") seeking the approval of the merger of CEC and Colt Sub with CEC surviving as a new wholly-owned subsidiary of ERI; and

**WHEREAS**, the amendments are reflected in an Amended and Restated Master Lease between TEI and GLP dated June 15, 2020 which has been provided to the Commission and the Division of Gaming Enforcement ("Division"); and

**WHEREAS**, the Division at the public hearing of this matter, did not object to the granting of the requested relief with certain conditions; and

**WHEREAS**, the Commission considered the entire record of this matter at its public meeting held on July 15, 16 and 17, 2020.

**NOW, THEREFORE, BE IT RESOLVED** by the Commission that the Amended and Restated Master Lease dated June 15, 2020 is **APPROVED** subject to all applicable conditions imposed in the resolution of PRN 2481902 and subject to the conditions set forth herein below:

**CONDITIONS**

1. ERI and TEI shall provide the Division with final copies of the Amended and Restated Master Lease within five days of execution;

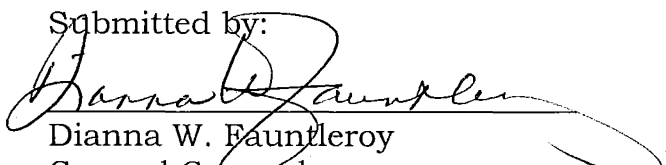


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2. ERI and TEI shall immediately notify the Division if any party seeks termination of the Lease;
3. Amendments to the Amended and Restated Master Lease as they relate to Trop AC remain subject to approval by the Commission upon the filing of a petition with the Division and an opportunity for the Division to submit a report regarding such changes. The Chairman through delegated authority may make a determination on any such amendment petition, following receipt of a responsive Division report, if a proposed amendment does not relate to the “buy-out,” “joint and several liability,” or “termination” provisions required by *N.J.S.A. 5:12-82c(5) and (10) and -104b*, respectively, which matters must be determined by the full Commission; and
4. The requirements as set forth in the above Conditions shall not be modified or eliminated except with the approval of the Division Director or his designee, with notice of such approval directed to the Chairman of the Commission.

Submitted by:

  
Dianna W. Fauntleroy  
General Counsel




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CERTIFICATION

I HEREBY CERTIFY that this Resolution correctly reflects the decision of the New Jersey Casino Control Commission.

  
Teresa Pimpinelli, Senior Counsel  
for the Executive Secretary

Meeting of July 15, 2020

Vote taken on pages 44-45 of the July 17, 2020 transcript