



COMMONWEALTH CASINO COMMISSION

Commonwealth of the Northern Mariana Islands
P.O. Box 500237 Saipan, MP 96950



MINUTES

November 29, 2017

I. PRELIMINARIES:

A. Call to Order

Chairman Juan M. Sablan called the meeting to order at 10:08 am on Wednesday, November 29, 2017, at the Joeten-Kiyu Public Library (Technology Room) in Susupe, Saipan.

B. Roll Call

Commissioners present at the meeting were: Juan M. Sablan (Chairman), Joseph C. Reyes (Vice Chairman), Justin S. Manglona (Secretary), Alvaro A. Santos (Treasurer), Martin DLG. San Nicolas (PA & MR Officer).

C. Adoption of Agenda

The Chairman announced that in the absence of Counsel Ernest, he recommends that action under V. Old Business, item A. be deferred until Counsel Ernest's return. He also noted that IPI submitted comments in reference to the regulations listed under that particular agenda which the Commission wishes for Counsel Ernest to review.

Commissioner Manglona made a motion to adopt the agenda as published, seconded by Commissioner San Nicolas. The motion was put to a vote and unanimously approved.

D. Adoption of the Minutes. September 21, 2017 & October 26, 2017

Vice Chairman Reyes moved to adopt the minutes of meeting of September 21, 2017 and October 26, 2017, seconded by Commissioner Manglona.

Discussion: Commissioner Santos noted that there are some items on the minutes that he had questions on but he will wait for IPI's update under the miscellaneous agenda to inquire on them. Vice Chair Reyes also commented that he had concerns on what was noted in the minutes of the meetings that he'd like the Director to touch on and update the Commissioners. Vice Chair Reyes pointed out page 3, items 4 & 5, and page 7, item 7 of the October 26th minutes of meeting. Commissioner San Nicolas requested an update on the junket applications.

The motion was put to a vote and unanimously approved.

II. REPORTS:

A. Report by the Chairman

Chairman Sablan reported that the Commission attended a house session on November 21, 2017 in support of H.B. 20-82. He informed the Commission that during that session, the bill was recalled back to the gaming committee due to the need for further clarification. The two issues noted are

the Commissioner's term in office and the proposed budget structure. The Chairman shared that his speech during the session which he gave under public comments, emphasized the need for the Commission's budget to grow simultaneously as the industry. He noted the anticipation of future developments such as Phase I & II as the reasoning for the request for a budget increase. The Commission's original proposal on HB 19-20, now PL 19-24, was a budget of \$3.5 Million with a 5% growth every year for five years. However, he stated that that proposal did not materialize due to heavy lobbying by IPI. He added that he is hopeful that the House of Representatives will take action before the end of the year before campaign season begins.

The Chairman also reported that the Commissioners and majority of the CCC staff recently attended a week long National Workshop on Financial Crime. He emphasized the importance of the CNMI being vigilant in this aspect. He shared that Chief Edward Cabrera was assigned the project of researching how the Commission can be included in the Regional Crime Prevention Task Force. He will also be the contact person in this respect.

The Chairman reported that on November 28, 2017, he, the Director and Commissioner Manglona met with Ms. Vicky Benavente, Secretary of Labor. The topic of discussion is local employment as referenced in the Casino License Agreement. The Chairman shared that the Commission asked Ms. Benavente to review IPI's proposed Annual Workforce Plan. Ms. Benavente informed the Commission that she will make contact with IPI and schedule a meeting with them to jointly review the plan. The Chairman stressed that local employment, now more than ever, is of the utmost importance, due to the CW crisis. It is creating hard challenges to the CNMI especially at a time when the economy is booming. The Director shared that the Governor's Office, as well as several members of the business community, the Chambers of Commerce, and the Licensee have been in communication with the White House on the matter.

The Chairman reported that he met with Ms. Bertha Leon Guerrero and IPI's Legal Counsel Kelly Butcher, to discuss human resource matters particularly the Annual Workforce Plan. The Commission made several comments on the plan and hopes IPI will take them into consideration. The Chairman then reported that he met with several IPI representatives including their Legal Counsel, Chuck McDonald. He informed the Commission that he provided the team a list of changes that he recommends to be implemented in the Compliance Plan on the matter of conflict of interest. The Chairman noted that an order may not be necessary if IPI can make the necessary changes in their policy and provide the Commission a copy. He also recommended IPI provide the Commission a monthly report on the status of employment applications submitted by US citizens. He noted that if IPI can adhere to these recommendations, the Commission may not need to impose orders to get things done.

The Chairman shared that he was invited to speak on Radio 100.3 to discuss the status of the casino operations. A concern brought up by the public is whether the casino building will be completed. The Chairman said that his response to that question is that there's no guarantee that it will because of the shortage of worker's situation, and other matters. He noted that it will be in the best interest of the Commonwealth for the facility to be completed but until something is done about the lack of construction workers, the chances are very slim. This matter, he stressed, will be discussed further under miscellaneous.

B. Report by the Executive Director

The Executive Director reported the following:

H.B. 20-82: During the last House session, the Committee on Gaming, in the last minute, withdrew its recommendation for the passage of H.B. 20-82 sighting several issues of concerns. He shared that he met with the Speaker and the Governor to find out what their concerns were, and found that the initial concern was in fact on H.B. 20-50 and not H.B. 20-82. He noted that H.B. 20-50 proposes to

increase the penalty amount to \$5 Million per violation. There was confusion whether the penalty was incorporated into H.B. 20-82, which was not the case. The CCC was not in support of H.B. 20-50, and even provided the Committee information on penalty amounts in other jurisdictions. The CCC, in its respond to the Gaming Committee's request for comments, recommended the maximum amount of \$500K per violation. With this concern clarified, the understanding from the Governor is that there shouldn't be any problem with the bill's passage by the end of the year.

Financial Update: Balances as of October 31, 2017 from FY 2017 & FY2018 Funding Cycle:

- 1) 7170: \$ 592,994
- 2) 7170A: \$ 3,171,482
- 3) 7171: \$ 550,000
- 4) 1545: \$ 1,090

Total funds available for CCC's Use in FY2018: \$4,315,566. By January 2018, upon renewal of all employment contracts, \$2 Million out of the \$4.3 Million will be obligated for one year's personnel cost. A monthly expense report is provided to Commissioners for their review of CCC's financial status.

Office Space: It will take 2-3 weeks after the lease contract is amended for the second floor to be completed for the Commission's use. An amended lease contract will be submitted to the CNMI Procurement & Supply for processing.

Recruitment: The recruitment for new and vacant positions has commenced with the first JVA published on Wednesday, November 22, 2017. The schedule of consequent JVA publications are on November 29, December 6, December 13 and December 20. The Commission will have a total of 45 FTEs once all positions are filled. The positions being announced are: Compliance Agent, Financial Auditor, Deputy Manager for Enforcement & Investigations, Administrative Officer/Procurement Officer, and Investigative Analyst. The closing date of the JVA is December 22, 2017.

Vice Chair Reyes commented that in his opinion, heavy concentrations in personnel should be in the audit division. He also suggested that it would be good if one of the auditors is a Certified Public Accountant (CPA). The Director replied that the original intention with the creation of the audit division is to focus mainly on the licensee. However, the audit division has also taken on the responsibility of doing a suitability review. The Commission can always obtain the assistance of a private CPA or audit firm to work with the Commission, should it find it necessary, the Director explained.

Chairman Sablan shared the same opinion with Vice Chairman Reyes in the need to fully staff the Commission's audit division. He noted that the Commission should conduct an independent audit of the casino on a timely basis, but believes the current staffing is insufficient to handle such a task. The Director acknowledged the Chairman and Vice Chairman's concerns and does not disagree with them but he pointed out that there is currently not enough funding for the audit division to have more than the four staffing it currently has. He noted that more manpower is also needed in the other divisions of the Commission and not just in the audit. The Director shared that the Commission is currently managing with its current staffing level despite limited funds. He continues to encourage inter-agency collaboration such as the Commission's audit division working with the Division of Revenue and Tax and other third-party auditors. He acknowledged the need for the Commission to grow as the casino grows.

Annual Report: All divisions have submitted their reports to Leonard Leon, CCC staff is in charge of assembling the annual report. The Director is currently putting together the executive division's report. The release of the annual report will coincide with the launching of the website. The website will contain all CCC forms and the annual report which will contain photos taken in the past

few years, and all the data submitted by each division. Leon and Ian Morrell, IT Manager, are experts in this field and are working closely in the electronic formatting and ready for print. The Commissioners will have a chance to see the report before it is released.

Junket: The Commission still has 6 pending junket applications. Amerine Enterprise out of Las Vegas, Nevada, was contracted to perform the vetting on these applicants. In August and September 2017, Mr. Dennis Amerine submitted to the Commission follow-up requests for clarification and information but to date, none have been provided to him because of the lack of response from the legal counsels of the applicants and from the applicants themselves. The Director shared that he met with Mr. Alan Chan, who is IPI's General Counsel out of Hong Kong, and was informed by him that he was assigned to take over and update all the junket applications. The Director is hoping that Counsel Chan will be successful in contacting the applicants to obtain the requested information and to address issues that require clarification. However, the Commission may grant, before the next meeting, a junket license to Bula Mula, but only as a promoter. The financial information provided by Bula Mula was insufficient for the Commission to allow the applicant to be a guarantor.

Vice Chair Reyes suggested imposing a time bar on the applications. If information being requested is not provided to the Commission on a timely manner, the application should be denied, and the Commission should move on to the next application.

Mr. Mark Brown explained that a lot of the applicants just don't understand the questions being asked, as half of the questions on the application do not apply to a person living in China. He further explained that the applicants who have been in junket operations in Macau for many years don't understand why such questions are being asked of them, and they end up giving up on completing the form. Another factor, he noted is the language barrier. He said that part of Counsel Chan's assignment is to go through each question on the application with the applicant and assist them in answering each and every question to the best of their knowledge. Mr. Brown said that the company has been pounding on him to get junkets on board as it will help the company with its receivables. What a junket does, he said, is bring customers in to the casino and granting them credit to play. As a result, IPI would not have to grant so much credit and their receivables amount will reduce, he further explained. In response to Commissioner Santos' question on how many junket operators would IPI be comfortable in working with at its present facility, Mr. Brown responded that six would be ideal and workable. However, he commented that more is better to ease their business. He shared that to his knowledge, there are presently 13 junket applicants that Counsel Chan is currently going through, all of who are interested in doing business at the IPR. The Director pointed out that the Commission only has 6 applications pending on record.

Chairman Sablan suggested that on the next meeting, Mr. Brown share information on how junket applications are processed in Macau, or submit to the Commission a sample of the Macau model of junket applications. Chairman Sablan acknowledges the fact that the Commission has to be mindful that the CNMI is dealing with an Asian market. The Director pointed out that at the same time, the Commission has to recognize that the CNMI is a US jurisdiction. The Director emphasized that at this point in time, and because regulations and policies are already in place in reference to junket operations, it will be best for the pending junket applicants to provide the requested information to Amerine Enterprise to allow him to continue with the vetting process. The Director asked IPI for cooperation in assisting the applicants in this process. He stressed that this matter is not a delay caused by the Commission, rather the applicants.

National Workshop on Financial Crime: As a result of what was gathered during the one-week workshop, the Commission is now initiating the process to set up a network in which the different law enforcement in the CNMI can begin inter-agency collaboration. The Governor's Office is taking an active lead and will also be sending its legal counsel to participate in this task force. It is highly recommended for the Attorney General's Office to be included in reference to the prosecutorial aspects of the network.

Events: Much appreciation is extended to everyone who assisted and participated in the dinner hosted by the Commission as a part of the completion of the workshop and the thanksgiving celebration. The Commission's Christmas Party is scheduled for Friday, December 22, 2017 at the Kanoa Hotel Seaside Hall.

Public Comments on Regulations: The Commission received comments from IPI's General Counsel, Mr. Phil Tydingco, objecting to the latest proposed changes to the regulations. The comments will need to be thoroughly reviewed in the next meeting with the presence of the Commission's Legal Counsel as he was currently out of the CNMI.

Complaint 17-002: As part of the IPI / Jack Ho settlement conditions, IPI submitted records showing that on November 9, 2017, Mr. Ho completed training and received his certification in Title 31, SARC reporting and large currency transaction reporting. The training was provided by Mr. Kenneth Hines, who was the former VP of IPI and is now a IPI's Consultant. Mr. Ho was also required to revisit the SOP of the Fortune Pai Gow Poker which he complied with.

IPI Data: As of October 31, 2017, IPR has a total of 1,284 active employees. Gross Gaming Revenue is over \$174 Million, Gross Gaming Revenue Tax is \$8.7 Million. The total amount spent on the purchase of goods and services is over \$15.6 Million. These figures are only for the month of October.

Overseas Investment: During the last Commission meeting, IPI was asked to clarify the Chinese Government's instructions banning all overseas investments in casinos and hotels. On November 13, 2017, IPI's General Counsel, Mr. Phil Tydingco, sent a letter to the Commission stating that "IPI is not a domestic enterprise or company established or incorporated in the People's Republic of China ("PRC"). As such, IPI is not subject to or bound by the laws of the PRC or requirements and restrictions stated in the China State Council Guiding Opinion on Overseas Investments". Mr. Tydingco, in his letter, made reference that the Commission should also have its independent counsel review the new investment policy.

Gaming Assets: There are 76 gaming tables at IPR of which 30 are in five different VIP rooms. There are 184 live electronic gaming machines (EGM). GLI Australia representatives are on island to certify 79 EGM which are currently on the casino floor and 88 more which are at the San Antonio Warehouse. Once testing is complete and the EGMs are certified, the Commission can grant approval for them to go live at the IPR.

IPR Promotional Events: The International Film Festival - December 8, 2017. The 11th Asian Super Model Contest - December 16, 2017. The Japanese Poker Tournament - 1st Quarter in 2018. All events are efforts to gain exposure to IPI/IPR and exposure to the CNMI's Tourism Industry.

III. PUBLIC COMMENTS:

Chairman Sablan recognized Mr. Paul Zak from the gallery who shared that he is surprised at the position taken by Washington D.C. to reduce the CNMI's CW by 3,000. He is curious how the CNMI will handle this situation. Chairman Sablan informed Mr. Zak that Governor Torres is set to leave to D.C. to address this matter. The Chairman acknowledged the fact that this issue is a big concern for all businesses, both big and small.

IV. MISCELLANEOUS MATTERS - Casino Licensee (IPI) Updates:

A. Casino Licensee (IPI) Updates:

1. Construction Progress- Imperial Pacific Resort & Hotel & Roadways

Mr. Eric Poon, IPI Construction Designer, provided the Commission hard copies of the IPR's construction progress report as of November 27, 2017. The current overall completion of Imperial Pacific Resort remains at 63%. Mr. Poon highlighted the following information:

- **Biggest issue with construction is the lack of workers and the continued labor problems. By December 17, 2017, most of the CW-1 workers will be leaving Saipan. Just in November alone, construction was very busy in anticipation of the loss of workers and in trying to stay on schedule. There are presently 207 workers, 37 of which are from GPPC and Winzy, both whom are local contractors.**

Mr. Poon shared that there are three potential US contractors who are presently in contract negotiations with IPI. The contractors are from Hawaii, Guam and Saipan. The ideal structure is to have one general contractor and three subcontractors. The company is also looking into hiring subcontractors to handle food and beverages, guest rooms, interior work, and landscaping. There are presently three to four construction management team that have arrived on Saipan to guide in the transition from the old contractor to the new contractor. The construction team is working with HR to identify housing for the soon to be hired US contract workers who will be arriving in December. MCC no longer has any workers on island but they have 2 construction managers left to oversee the transition.

Vice Chair Reyes again emphasized the need for the construction implementation schedule because the information being provided appears to be inconsistent as far as the completion percentage. This is very important considering the deadline of August 2018 as required in the Casino License Agreement, Amendment 5, he noted. He also commented that it will not be easy to find someone willing to take over the job as it is, absent a forensic structural engineer's evaluation. He noted that the Commission is very concerned and very interested to see an implementation schedule between the developer and the contractor. Vice Chair Reyes also noted his concern with the sky cranes lying idle and the danger it imposes to other business, pedestrians and the workers, especially in the event of a storm. He noted the same concerns with construction materials and construction debris being stored at the IPR.

Chairman Sablan inquired when IPI anticipates to sign the contract with the three US contractors. Mr. Poon replied that he estimates that all parties will sign off within a week's time. As a result, there will be 100-200 US workers on island by December, he disclosed. Mr. Poon offered to update the Commission once everything is finalized.

The Director inquired about the installation of the dragon, and Mr. Poon replied that it will most likely be after the Chinese New Year. The Director then inquired on the status of the seismic bracings. Mr. Poon responded that IPI's structural engineer is currently inspecting the existing bracing system, and that a two-part proposal had already been approved by DPW. IPI also has plans to hire a third-party structural engineer to inspect and certify the work.

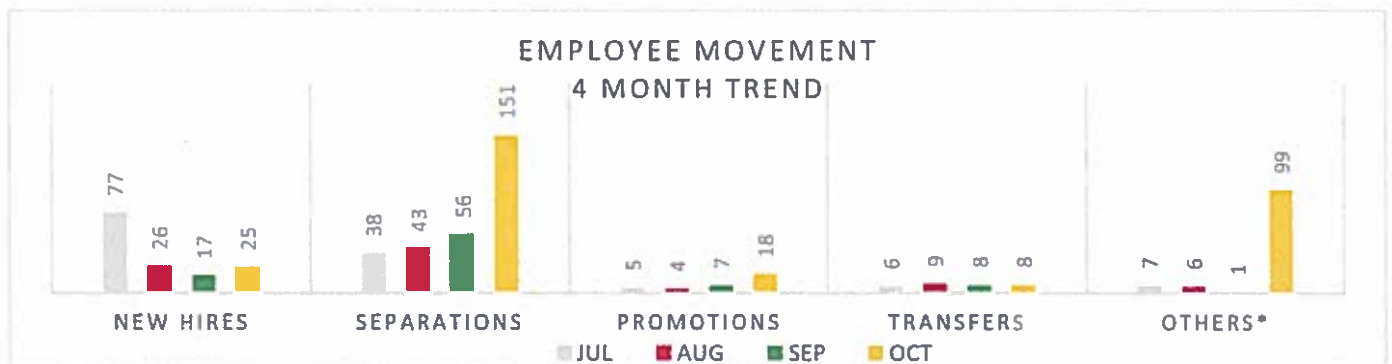
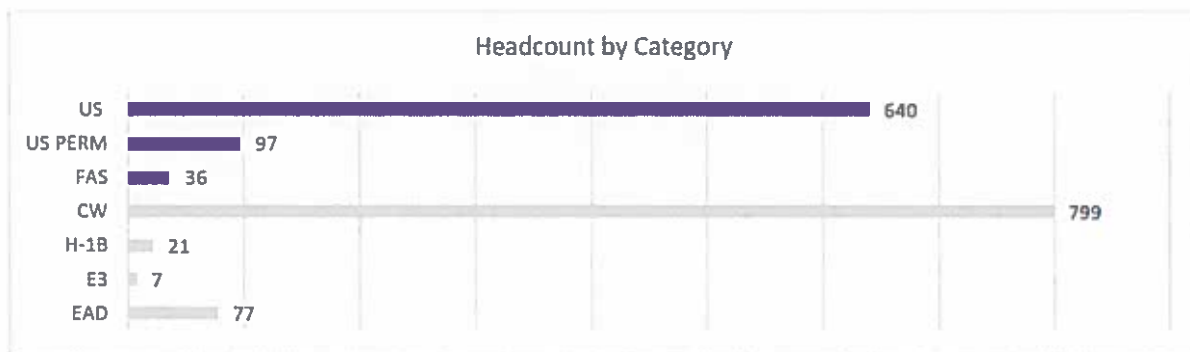
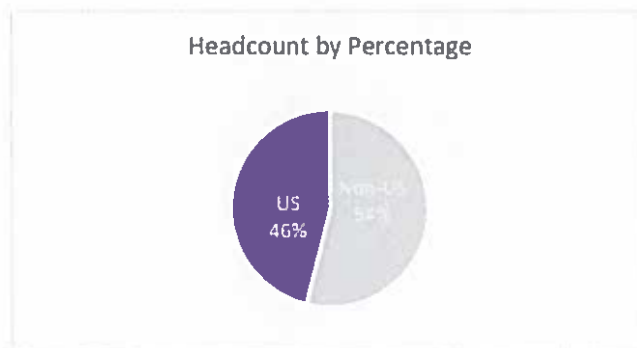
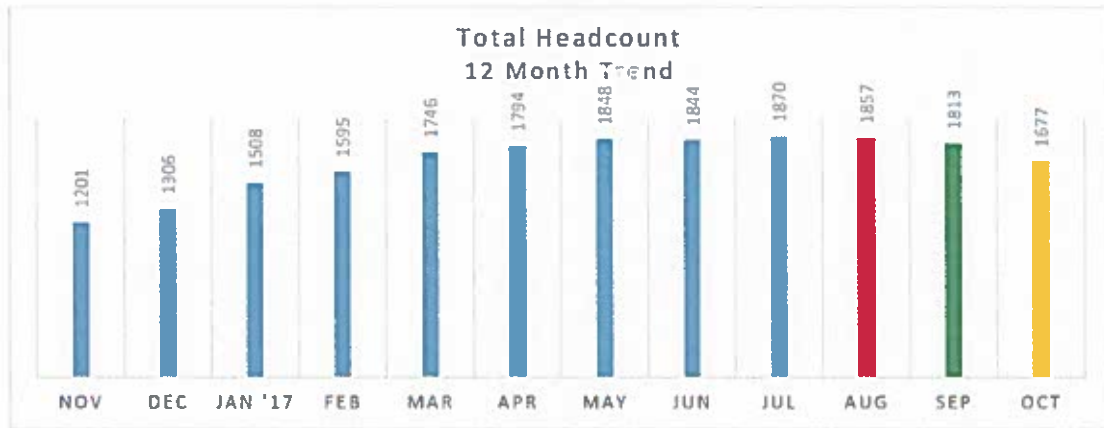
Vice Chair Reyes made a motion to recess until 2:00 pm, seconded by Commissioner Manglona. The motion was put to a vote and unanimously approved. Recess began at 11:54 am.

Chairman Sablan called the meeting back to order at 2:07 pm on November 29, 2017.

2. IPI Personnel- Training and Recruitment of U.S. Workers & Employee Compensation

Ms. Bertha Leon Guerrero, VP of HR at IPI, updated the Commission on IPI's HR efforts for the month of October 2017. Hard copies of her report were distributed to the Commissioners prior to the meeting. She shared the following highlights with the Commission:

HR Dashboard October 2017



LEARNING & DEVELOPMENT

A summary of the trainings, workshops and courses completed by IPI employees are provided below:

Training / Workshop / Course	Participants			
	AUG	SEP	OCT	NOV*
Alcohol Beverage Tobacco Control	0	0	0	
American Red Cross, First Aid, CPR & AED	13	14	20	
Aspiring Leadership Program - Module 1	5	0	13	
Aspiring Leadership Program - Module 2	6	0	10	
Aspiring Leadership Program - Module 3	7	0	0	10
Aspiring Leadership Program - Module 4	0	5	0	10
Aspiring Leadership Program - Module 5	0	7	0	
Basic Courtesy Mandarin for Beginners	16	0	0	53
Butler Services Training by Magnums	0	0	0	
Butler Services Training (TTT) by Magnums	0	0	0	
Confidentiality & Non-disclosure Training	76	60	21	79
Cultural Diversity in the Workplace	0	0	0	
Cultural Diversity in the Workplace: Managing Conflict	16	0	0	
Culture of Safety	0	0	0	
Customer Care Program - 4 Key Drivers	0	0	0	
Customer Service Training for Butlers from VIP Marketing	0	25	0	
EEOC for General Staff	21	9	19	
EEOC for Supervisors & Above	10	0	19	12
Effective Behavior-based Interviewing Skills	0	0	0	
Effective Performance Appraisal Interview Workshop	0	0	0	
Employee Handbook Orientation	378	395	105	122
Fire Safety Training	0	0	0	
Food & Beverage Training for Butlers from VIP Marketing	14	0	0	
Image Building & Personal Branding	10	0	0	
Jon-specific Mandarin for Dealer	0	254	0	140
Limousine Service Training - VIP Transportation	0	0	0	
Opera Training	0	0	0	
Orientation	0	0	0	
Orientation & Guest Services	25	14	24	19
OSHA Records Keeping Training	0	0	1	
Polishing Your Presentation Skills	6	0	0	
Red Rock - Chef/F&B/Recipe	0	0	0	
Red Rock - Intensive	0	0	0	
Red Rock - Inventory	0	0	0	
Red Rock - Invoicing	0	0	0	
Red Rock - Normal End User	0	0	0	

Red Rock - Purchasing	0	0	0	
Red Rock - Receiving	0	0	0	
Serve Safe Training & Examination	0	0	0	
Title 31 / AML	116	126	109	71
Together We Care - Module 1	6	0	0	
Together We Care - Module 2	3	0	0	
Together We Care - Module 3	0	0	0	
Together We Care - Module 4	0	0	0	
Trainer's Club Meeting with training updates	0	0	17	
Train the Trainer	0	0	0	
Work Smart with Excel	0	35	37	
Working in Teams	0	8	16	

*As of November 17, 2017

Dealer/Pit Supervisor Dual Rate Training

There were six Dealers who enrolled in the six-week Dealer/Pit Supervisor Dual Rate Training. Four of the six successfully completed the program on Nov. 17th and two are targeted to complete by Nov. 26th.

Job-Specific Mandarin Training for Dealer

Our 2nd Batch of Job-Specific Mandarin for Dealer class started on November 20, 2017 with 16 participants. The targeted completion date for this training is December 8, 2017. These classes will benefit enrollees by helping them acquire career advancement opportunity.

Career Talk in NMTI

Our Learning & Development team held a career talk for 7 Hospitality Management graduates from the Northern Marianas Trades Institute (NMTI) on November 16, 2017. We received 2 applications and will process for interview.

Career Exploration Day for High School Students

Imperial Pacific Resort is planning on participating in the Career Exploration Day for High School Students event by considering 3 students for Job Shadowing in the Human Resources & Administration and Learning & Development Department. The event will be held on December 6, 2017.

Chairman Sablan inquired what the turn-around time is for USCIS to act on a petition. Ms. Leon Guerrero replied that it could take over six months before any word is heard back from the USCIS. She explained that for the company's part, petitions are sent in 6 months prior to expiration. If a receipt is not received upon the expiration of an employee's work authorization, he/she will need to be repatriated. She explained that a receipt is an acknowledgment that the petition and the payment were received by the USCIS. Chairman Sablan commented that the Governor and the AG's Office should take the lead to bring this matter to the attention of the USCIS as it is very costly for business to repatriate and to bring

an employee back. Ms. Leon Guerrero stated that she is uncertain what the USCIS will do about the petitions IPI already submitted in light of the 3,000 reduction in the number of CW for the CNMI.

Commissioner Santos inquired what the average time is for a repatriated employee to return back to Saipan to work. Ms. Leon Guerrero replied that it could take up to 6 months to bring back a worker who was repatriated as there are other forms that need to be filled up and requirements that need to be met in their place of origin, in order to obtain a visa from their embassy.

The Director asked Ms. Leon Guerrero to review Section 15 of the Casino License Agreement in reference to the Annual Workforce Plan. He recommended that the Chairman and CEO, work very closely with IPI HR in planning ahead as far as future workforce needs for the entire IPR operations, be it in the hotel, restaurants, casino and other activities planned by IPI. He emphasized the importance of HR being involved in everything and most especially in forecasting IPI's workforce needs in light of the CW crisis.

Mr. Mark Brown, IPI CEO, replied that IPI does have a workforce plan in place showing the number of employees needed for each department once the building is fully operated. Mr. Xing "Ed" Yu Chen, IPI's new Chief Financial Officer, added that he is presently reviewing the draft of the workforce plan and that he's working on developing an operational and capital budget based on the plan. He said that he will need more time to be able to be comfortable with his review before a final plan is presented to the Commission and to other affected agencies.

Commissioner San Nicolas asked how many of IPI's overall workforce are provided staff housing. Ms. Leon Guerrero replied that she did not have the information readily available but offered to look into it and get back to the Commission.

3. Responsible Gaming Program

Counsel Chuck McDonald provided the Commission an update that their application to become a member of the National Council on Problem Gambling (NCPG) was received. Mr. Keith Whyte of the NCPG has agreed to visit Saipan on March 26, 2018. He will be on island for 2-3 days, and has agreed to meet with the Commission and the Legislature. During his visit, he will offer training for IPI staff. Counsel McDonald stated that the staff training will focus on awareness of problem gaming. Mr. Whyte is assisting IPI in developing pamphlets and signs to install in the casino. Chairman Sablan suggested that other government agencies involved in social services be included in any training offered to be offered by Mr. Whyte, and he asked if Commission staff can also avail of the training.

In response to Chairman Sablan's inquiry on the survey, Counsel McDonald replied that Mr. Whyte noted a lot of issues with the survey, and that IPI will more than likely need to do another one. Mr. Whyte strongly recommended approaching the matter with lots of awareness such as the flyer, pamphlets and signs. He has offered to also help IPI in putting together another survey, and in helping IPI's employees to learn how to identify problem gamblers.

4. Compliance Committee

The Chairman explained that this item was placed on the agenda to give IPI the opportunity to disclose to the Commission any discovery of violations. He said that he reads the Compliance Committee minutes of meeting every month but has not once seen any mention of any violations. He noted that this item will be on the agenda each month and it will be the opportune time for the licensee to explain what it has done to address a violation, if any, which could be beneficial when it comes to assessing fees and penalties.

Commissioner San Nicolas added that this will also be a good time to hear what IPI has done to comply with the E & Y AML Compliance Report. Chairman Sablan informed Commissioner San Nicolas that one of IPI's plan of action is the hiring of Mr. Kenneth Hines who is a former IRS Agent. He asked that Mr. Hines be given the time to review and address the findings, and once he's done, a special meeting will be called specifically to address the AML Compliance audit findings and IPI's plans.

Counsel McDonald added that this is an ongoing process and that IPI has made a lot of progress since the report was released and the IRS' visit on Saipan. He offered for the Commission to review what has already been done but warned that this process may never be completed as it is a working progress. He assured the Commission that a lot of resources is devoted to compliance and especially with Title 31.

Commissioner San Nicolas emphasized that the Commission's concern is not so much in the operations on Saipan but more so on the involvement of people in Macau. Counsel McDonald informed the Commission that IPI had already established a compliance department in Macau. Chairman Sablan suggested the Commission call for an executive meeting sometime in January to address the E & Y AML Compliance Report. The Director requested for an update of the scope of work for Mr. Kenneth Hines' contract as he is moving from a key employee to a consultant.

5. Other Miscellaneous Matters - None

B. Other Matters

Chairman Sablan requested that IPI provide the Commission an assurance, in a form of a statement, that there are available financial resources to complete the IPR. Further detailed discussion on this item will be taken up under executive session as it involves financial matters.

V. OLD BUSINESS: NONE

A. Proposed Permanent Adoption of Casino Regulations:

1. §175-10.1-920(b) Casino Employee Licensee Standards.
2. §175-10.1-1105 Duty to Disclose and Cooperate.
3. §175-10.1-1130 Consent to Examination of Accounts and Records.
4. §175-10.1-1315 Disqualification Criteria.
5. §175-10.1-1501 Commencement of Complaint.
6. §175-10.1-1510 Notice of Defense.
7. §175-10.1-1515 Right to Hearing; Waiver.

- 8. §175-10.1-1525 Revocation of License or Registration; Hearing.
- 9. §175-10.1-1855 Collection of Gaming Credit.
- 10. §175-10.1-2605 Licensure and Registration Required.

Commissioner Manglona made motion to defer action on the above agenda, seconded by Commissioner San Nicolas. The motion was put to a vote and unanimously approved.

VI. NEW BUSINESS:

A. Approval of Regular Casino Service Provider License (2-Year License)

- 1. SG Gaming Asia Limited (dba: SG Gaming): Electronic Gaming Machines and Shufflers (Exp. 11/30/17)
- 2. Gaming Partners International USA, Inc.: Electronic Gaming Chips, Machines and other gaming goods (Exp. 11/30/17)
- 3. BMM Australia Pty, Ltd.: Testing of Computer Systems and Gaming Software (Exp. 11/30/17)
- 4. Pokaj D.O.O (Alfastreet): Electronic Gaming Machines (Exp. 11/30/17)
- 5. DC & BNC Technology, LLC.: System Installation (Exp. 11/30/17)
- 6. TCS John Huxley American, Inc.: Manufacturer and Distributor of Table Games and Related Equipment (Exp. 11/30/17)

Commissioner Manglona moved to approve items 1-6, seconded by Commissioner San Nicolas. The motion was put to a vote and unanimously approved.

B. Notification of Provisional Non-Gaming Vendor Licenses:

- 1. Dong Bei Saipan, Inc. (dba: Diamond Water): Drinking Water (Exp. 10/30/18)
- 2. Star Link China Ltd.: Sanitary Ware, Wash Bins and Faucets (Exp. 11/05/18)

The above items were included on the agenda for notification purposes only.

*****The Chairman called for a 5-minute recess*****

VII. EXECUTIVE SESSION:

Vice Chair Reyes made a motion to enter into executive session to discuss the items listed below, seconded by Commissioner San Nicolas. The motion was put to a roll call vote with all five Commissioners voting yes. Executive session began at 2:56 pm.

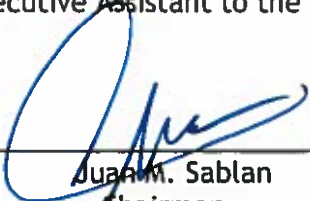
- A. Report by the Legal Counsel
- B. Report by the CCC Audit Division & by the Enforcement & Investigations Division
- C. IPI Financial Matters

Commissioner Manglona moved to exit executive session, seconded by Commissioner Santos. The motion was put to a vote and unanimously approved. Executive session ended at 3:59 pm.

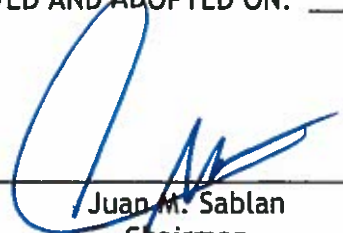
VIII. ADJOURNMENT:

Vice Chairman Reyes moved to adjourn, seconded by Commissioner Manglona. The motion was put to a vote and unanimously approved. The meeting was adjourned at 4:00 pm on Wednesday, November 29, 2017.

Prepared by:  Date: 12/18/17
Ruth Ann P. Sakisat
Executive Assistant to the Commission

Concurred by:  Date: 12/18/2017
Juan M. Sablan
Chairman

APPROVED AND ADOPTED ON: 21st day of December, 2017.

 Date: 12/26/2017
Juan M. Sablan
Chairman