



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



**MINUTES**  
September 21, 2017

**I. PRELIMINARIES:**

**A. Call to Order.**

Chairman Juan M. Sablan called the meeting to order at 10:10 am on Thursday, September 21, 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) and Martin DLG. San Nicolas (PA & MR Officer).

**C. Adoption of Agenda.**

Commissioner Manglona moved to amend the agenda by removing and disposing under item VI. NEW BUSINESS part B. numbers 4-7 as these sections of the Casino Regulations have already been discussed and adopted. The motion was seconded by Vice Chairman Reyes, was put to a vote and unanimously approved.

Vice Chairman Reyes made a motion adopt the agenda as amended and was seconded by Commissioner Manglona. It was put to a vote, and was unanimously approved.

**D. Adoption of the Minutes. August 24, 2017.**

Vice Chairman Reyes referred to item I. PRELIMINARIES part B. Roll Call, and requested that the record show that he arrived late to the August 24, 2017 meeting, and was not absent as stated.

Vice Chairman Reyes then made a motion to adopt the Minutes of August 24, 2017 with changes, and was seconded by Commissioner Manglona. It was put to a vote and was unanimously approved.

**II. REPORTS:**

**A. Report by the Chairman**

Chairman Sablan informed the Commission that he met with Mr. Mark Brown, Chairman of IPI, and Mr. Michael Ernest, Legal Counsel, on several occasions to discuss rebate revenue sharing. He said that Mr. Brown explained the importance of revenue sharing as it affects IPI's junket operations and expressed the urgency of the Commission's action on the matter. He stated to the Commission that IPI has acquired the professional services of Mr. Dennis Amerine in the vetting of potential casino junket operators. He said that the

Commission has received five applicants so far who have completed the application process for a junket operator license.

The Chairman reported that since the last commission meeting, he and Commissioner Santos have been having regular meetings with IPI representatives to go over its receivables, and with the assistance of Counsel Ernest, the Commission will be proposing amendments to the casino regulations soon.

#### **B. Report by the Executive Director**

1. CCC Financial Update: Director DeLeon Guerrero informed the Commission that the following financial update is the balance of all CCC accounts as of August 31, 2017:

- a) 7170A: \$971,702                      Actual Amount Available: \$212,021
  - b) 7170:    \$597,123
  - c) 1545:    \$0                                      Local Appropriations
- TOTAL FUNDS AVAILABLE FOR CCC's USE:    \$809,090
- d) 7171:    \$825,090  
              \*FY2018 Budget Bill: \$550,000  
              \*Balance for future appropriations: \$275,090

CNMI FY2018 Budget Appropriations Bill (H.B. 20-105 HD2 SD3 CCS1)

- a)    Local Funding:                                      \$1,090
  - b)    P.L. 19-24 CCRF Fund (IPI):                      \$3,000,000
  - c)    P.L. 19-24 CCRF Fund (Fees):                      \$550,000
- Total Budget:    \$3,551,090

2. Office Space: The Director informed the Commission that he is awaiting the completion of the second floor of Springs Plaza. The proposed completion date is by the end of the year. He stated that the Commission proposes that the Division of Permit and Licensing, the Commissioners, the Executive Assistant to the Commission, and the Division of Compliance occupy the first floor while the Executive Division (Administration), the Division of Enforcement and Investigations, the Division of Audit, and the training and conference room move up to the second floor.

3. Freedom of Information Request: The Director reported that the Commission has received 2 (two) Freedom of Information Requests for very detailed information regarding IPI. He stated that P.L. 19-24 made the Gross Gaming Revenue (GGR) a non-confidential information type of information. He said that the Commission is working closely with IPI in categorizing reports as gaming and non-gaming. Gaming related information (Casino Service Providers) can be disclosed to the public, but non-gaming (Casino Vendors) information are confidential.

4. Junket Applications: The Director informed the Commission that it has received 5 (five) casino junket operator license applications that are currently undergoing the vetting process and due diligence by a contractor out of Las Vegas, Nevada. The Commission will wait until the results of the investigation are made available. The Commission will also wait for a Letter of Intent from the licensee that states the terms and conditions for doing business with each applicant. The Director reminded IPI representatives that Mr. Dennis Amerine, background investigator, cannot move forward with his investigations without receiving the request for details from the junket operator applicants. The Commission continues to communicate with Mr. Amerine on the status of each applicant. The Commission continues to learn from Mr. Amerine the investigative strategies and procedures in conducting a very detailed investigation.

5. IPI Matters: The Director informed the Commission that prior to shutting down Best Sunshine Live at the DFS T Galleria in Garapan, the Commission received a request from IPI to use the San Antonio Warehouse (SAW) as the future and more permanent site for IPI training and storage. There are 117 (one hundred seventeen) licensed gaming equipment that are being stored at SAW. While they are being rebooted using the IGT Case Management System, IPI has continued the use Bally System. The Commission will require all 117 EGMs to undergo recertification by GLI, and inspected by CCC Staff before being activated and given the live signal at IPR.

6. Labor Day Recognition and Appreciation: The Director recognized and congratulated Ms. Ruth Ann P. Sakisat for being selected as The Commission's 2017 Overall Employee of the Year. She was recognized at this year's Labor Day event on September 1, 2017 along with other Government Employee of the Year awardees. The Commission would like to thank Ms. Sakisat, our Special Assistant to the Commission, for her all hard work and commitment. The Director also recognized Ms. Carmen B. Sablan, Executive Secretary, for her participation in this year's overall Labor Day Committee. The Commission extends its appreciation to all CCC Staff who in one way or another contributed to making this year's Labor Day celebration a memorable fun-filled occasion.

### III. PUBLIC COMMENTS:

Chairman Sablan welcomed the Senate Committee on Gaming members: Senator Justo S. Quitugua (Chairman), Senator Sixto Igisomar, Senator Arnold I. Palacios, and Senator Jude Hofschneider (Tinian), IPI Representatives, and members of the public to the Commission meeting.

Chairman Sablan recognized Mr. Paul Zak from the gallery. Mr. Zak suggested that the Commission consider the Multi-Purpose Center as a possible venue for all upcoming Monthly Commission Meetings as he pointed out the lack of space of the JKPL technology room. Chairman Sablan thanked Mr. Zak and requested for the Director to look into finding a venue with more space.

Chairman Quitugua who expressed his appreciation to the Commission for the invitation to observe this month's Commission Meeting. He also thanked IPI for arranging tomorrow's site tour of IPR for the Senate's Committee on Gaming members. Furthermore, he thanked

the Director for providing his committee with all the requested documents. He then requested that his committee be provided a copy of the Commission Meeting minutes for their reference. NO OTHER PUBLIC COMMENTS FOLLOWED.

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

##### 1. Casino Licensee (IPI) Updates:

Chairman Sablan recognized Mr. Mark Brown, Chairman of IPI. Mr. Brown informed the Commission that IPI has a new organizational chart for the Commission's approval. He said that he has a new role within the company and plans to address some critical issues that CCC had to face for the past two years with regards to information sharing. He announced his excitement to be working with a great team. He introduced the following to the Commission: Mr. Eugenio Sousa, Senior VP of Security; Mr. Marco Teng, Managing Director of IPI; Mr. Henry Cheang, CEO; Mr. Ken Hines, Senior VP of Compliance; Mr. Charles McDonald, VP of Legal; Mr. Philip Tydingco, Senior VP of Legal; Mr. Eric Poon, Construction Manager; SW Tong, CFO of IPI in Hong Kong; and Ed Chen, CFO of IPI, Saipan.

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

Mr. Eric Poon, IPI designer, provided the Commission hard copies of the IPR's construction progress report as of September 18, 2017. The current overall completion of Imperial Pacific Resort is 62%. Mr. Poon informed the Commission of the following key issues:

- Chairman M restaurant construction completed, and all the operating licenses were received. Target opening date is 09/28/2017.
- Main lobby toilet should be open before end Sept. 17.
- Podium Façade target completion is by the end Sept. 17.
- Tower Façade installation in progress, progress refers to the progress status section.
- Construction labor 2018 CW1 status no further progress, may have great impact to the program.

Mr. Poon reported the following Labor Summary:

- Management Staff: 48
- Workers= Total 581
  - MEP: 182
  - Structural Steel: 110
  - Fitting-out: 145
  - General Labors: 144

Mr. Poon informed the Commission the following statutory issues:

- Preparation of rain water filtration system design modification by JMA to BECQ.
- Preparation of Egress passage submission for installation of Dragon at Main Lobby.
- Outstanding seismic bracing installation of main gaming is pending CCC approval for the table closure program.
- Certificate of Occupancy for Chairman M restaurant received on 13/9/2017.

- 1. Piling Works                      100% Complete

2.	Structural Steel	100%	The steel work below L3 (for low rise) completed
		100%	The steel erection was up to roof for the Hotel Tower. Steel erection for the Tower Dome was in progress.
		100%	The steel erection for Resort Hotel North Wing was in progress
3.	Reinforced Concrete	100%	Resort Hotel RC works was completed for the Manor House
		100%	Resort Hotel RC works for North Wing
		5%	North Forecourt Fountain
4.	MEP Works (Low Rise)	92%	Installation works for ductworks/trucking/piping from basement up to L2Z in progress. MV switch board, RO and Chiller system installation was completed. Escalator and elevator installation for 5 Nos. of BOH elevators are 95% completed.
		15%	Installation work inside Cantonese and ADD Restaurant in progress
5.	MEP Works (Resort Hotel)	43%	Installation works for conduit/trucking/piping from L1 to L4 in progress.
6.	MEP Works (High Rise)	15%	Installation works for conduit/trucking/piping from L3 to L5 (Manor House) in progress.
7.	Fitting-Out (Low Rise)	100%	Interior fit-out for Grand Lobby and Main Casino.
		5%	Interior fit-out (Cantonese Restaurant) in progress
		95%	BOH interior fit-out works.
8.	Fitting-Out (Resort Hotel)	20%	Interior fit-out (Manor House) in progress.
9.	Fitting-Out (High Rise)	9%	Interior Fit-Out in progress for L3 to L4.
10.	Façade (Low Rise)	80%	Podium GRC and marble installation was in progress.
11.	Façade (Resort Hotel)	90%	Resort GRC and marble installation (Manor House) was in progress.
12.	Façade (High Rise)	10%	GRC installation at East and South elevation.

Mr. Poon shared that the lack of construction workers on island continues to hinder IPR's construction progress. However, IPI continues to look for potential contractors on and off-island as the current workers are being pushed to the maximum capacity in order to meet target deadlines. Chairman Sablan expressed his concern for IPI's ability to complete the construction project by August 2018, as per Amendment 5 of the Casino License Agreement.

The Director asked Mr. Poon if he was confident that IPI will meet the August 2018 deadline in which Mr. Poon replied that as of today, they are progressing as scheduled.

Vice Chairman Reyes asked Mr. Brown how much would it cost to complete IPR'S construction project. Mr. Brown said it could cost IPI up to \$507M to complete the IPR project. Vice Chairman Reyes then asked Mr. Brown how much has been paid so far out of the \$507M. Mr. Brown informed the Commission that so far \$343M out of the \$507M was spent. Vice Chairman Reyes then asked Mr. Brown and Mr. Poon to refer to the information on IPR Progress Report that was passed out to the Commission which indicated an overall completion percentage of 62%, and

asked whether Mr. Poon still feels confident that the construction of IPR will be completed by the deadline of August 2018. Vice Chairman Reyes said that at 62% completion, IPR has only managed to complete up to the third floor, and then questioned DPAC's whereabouts as it is his understanding that it is DPAC's responsibility to advise the licensee in this matter.

Chairman Sablan recognized Counsel Ernest who informed the Commission that Amendment Number 5 of the Casino License Agreement (CLA) removed the requirement for the initial gaming facility (IGF) to be under the oversight of DPAC therefore eliminating the need for an implementation schedule. He further stated that to his understanding, Amendment Number 5 completely removed the need for DPAC in the IGF project. DPAC's involvement will only be for the Phase One and Phase Two, he clarified. Counsel Ernest elaborated further that Public Law 18-56 requires the licensee is to build a minimum of 2,000 new hotel rooms overall which will most likely be in the Phase 1 and Phase 2 development.

The Director asked Mr. Brown who decided on the total number of rooms at IPR. He said that initially IPR was supposed to have 250 rooms, and then somehow the number increased to 374 rooms and now it's back down to 320 rooms. He asked Mr. Brown who is responsible for making all these changes in the number of rooms and do these changes affect the cost of construction. Mr. Brown informed the Commission that these changes first came about after the realization that all the initial 250 rooms were only facing the ocean and none to the mountain site. He explained that after numerous lengthy discussions with Mr. Paul Steelman, the world famous casino architect, IPI recognized the need for more rooms on the island, and asked Mr. Steelman to make the necessary changes to the design to include a hallway for more rooms facing the city and mountainside.

Vice Chairman Reyes asked Mr. Poon about the status of the installation of the seismic braces at IPR. Mr. Poon informed the Commission that the installation of the seismic braces at the basement level of IPR has been completed. Vice Chairman Reyes then asked Mr. Poon whether Hofschneider Engineering is still the structural engineer for the project. Counsel McDonald informed the Commission that Hofschneider Engineering is no longer the structural engineer for the IPR project, and that IPI has acquired the professional services of JM Aquino to take over as structural engineers. He noted that Hofschneider Engineering is still involved with IPR's ancillary projects for sewer and drainage. Vice Chairman Reyes asked Mr. Poon to update the Commission on the continues deflection unit systems (CDS). Mr. Poon said that they are still waiting for the CDS unit to arrive sometime in October 2017. The Director asked Mr. Poon how long would it take to install the CDS unit once it arrives. Mr. Poon said he would have to get back to the Commission as he needs to get clarification on the installation time frame of the CDS unit. According to the Director, the reason for the holdup in the road pavement is the installation of the CDS units. Mr. Poon said that he would have an answer for the Commission later on.

The Director asked Mr. Poon if the sewage overflow issue in the basement of IPR has been resolved. Mr. Poon informed the Commission that after receiving word of this issue from the CCC, IPR's engineering team immediately rectified the situation.

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

Mr. Jerry Young, Managing Director in charge of Learning and Development at IPI, updated

the Commission on IPI's HR efforts for the month of August 2017. Hard copies of his report were distributed to the Commissioners prior to the meeting.

Mr. Young shared the following highlights with the Commission:

### **Dealer**

11 graduates from our IPI's 3<sup>rd</sup> Dealer Academy and 10 Graduates from their 4<sup>th</sup> Dealer Academy have become official employees of Imperial Pacific International (CNMI), LLC. The 5<sup>th</sup> Dealer Academy launched on August 28, 2017 and its target date for completion is on September 22, 2017. There are a total of 16 trainees.

### **Dealer/Pit Supervisor Dual Rate Training**

Imperial Pacific International (CNMI), LLC has promoted three Dealers to Pit Supervisor III. These dealers have successfully completed the six week Dealer/Pit Supervisor Dual Rate Training in August 2017. There are currently seven Dealers who are undergoing the six week Dealer/Pit Supervisor Dual Rate Training. Targeted completion date of this current program is November 2017.

### **Job-Specific Mandarin Training for Dealer**

On September 11, 2017, 40 enrollees have started the Job-Specific Mandarin Training for Dealer. There are two classes that will benefit these enrollees by helping them acquire career advancement opportunity. This training is a 16 hour program that consists of two parts-Part A and Part B. Each enrollee is required to pass Part A of the program prior to proceeding to Part B. Targeted completion date of this program is September 21, 2017.

### **Work Smart with Excel**

Two classes of Work Smart with Excel will be organized on September 22, 2017 and September 29, 2017. These classes will be conducted by Northern Marianas College staff. This training will equip participants with the skills and knowledge to work efficiently and effectively.

### **Leadership Development Program**

Aspiring Leadership Program is IPI's signature program with supervisors and potential team Leaders as targeted participants. It is a modular program with 5 modules with different topics that suit IPI's needs. Corporate Learning and Development of IPI will launch the other 2 leadership development programs soon to cater for the needs of executives/ managers of various levels.

Director asked Mr. Young how many of these graduates are locals, and Mr. Young answered that majority of the dealers are locals. The Director asked if all the locals have undergone drug tests, and Mr. Young answered yes. Chairman Sablan and the Director suggested that Mr. Young set up the following three training programs for all IPI employees: 1) Drug Free/Drug Awareness Program, 2) Problem Gambling, and 3) Safety for VIP Dealers. Chairman asked Mr.

Young about mid and upper management job positions for locals. Mr. Young informed the Commission that the IPI HR Department is currently refining their signature training programs for Supervisor positions up to Assistant Director positions. These training programs cater to employees aspiring to develop leadership qualities.

Chairman Sablan recognized Ms. Maggie Attao, Recruitment Director for IPI. Ms. Attao informed the Commission that she will be reporting to the Commission on behalf of Ms. Bertha Leon Guerrero, VP of HR at IPI, who was unable to attend today's meeting.

The IPI Dash Board indicates the following: IPI has 1,857 total employees as of September 14, 2017. Categories: 43% US employees and 57% non-US employees. Employee Movement: In August 2017, there were 26 new hires, 43 separations, 4 internal promotions, 9 internal transfers and 6 others (such as address, title changes, etc.)

Ms. Attao informed the Commission that the following trainings were completed as of September 14, 2017: 1) ARC First Aid, CPR & AED, 2) Aspiring Leadership Program Module 4, 3) Customer Service Training for Butlers from VIP Marketing, 4) Confidentiality & Non-disclosure Training, 5) EEOC, and 6) Employee Handbook Orientation.

Ms. Attao explained to the Commission that the main reason for employee separation is better job opportunities. Commissioner Santos asked Ms. Attao to elaborate on employee transfers. Are these employees transferring to different departments in hopes of higher salary, a higher position or both? Ms. Attao informed the commission that most of the transfers are at the same level but HR encourages all employees to build themselves up from the bottom.

### 3. Responsible Gaming Program:

Chairman Sablan recognized Ms. Esther Milne, Legal and Compliance for IPI. Ms. Milne updated the Commission that IPI is now in communication with Mr. Kahlil Philander of the Carson College of Business out of Washington State University who has agreed to analyze the results of the survey for IPI. Mr. Philander had offered to give her an update by September 26, 2017 as he has yet to analyze, synthesize, and report on the survey.

The Director suggested that Mr. Mark Brown send a representative of IPI to attend an upcoming conference on Problem Gambling scheduled for next week. He said that it will be interesting and educational for the participant to share information upon returning from the conference.

### 4. Other Miscellaneous Matters:

Chairman Sablan asked counsel McDonald to update the Commission on the construction Workers who have been protesting for their unpaid wages. He said that he read in the newspaper that some workers did not accept the amount they were offered by the Department of Labor. Counsel McDonald informed the Commission that IPI is standing by to help these construction workers get paid and sent back to their homeland. He said that this issue is being handled by the CNMI Department of Labor in consultation with the U.S. Department of Labor.



**B. Other Matters:**

Commissioner Manglona asked Counsel McDonald where 37 former Beilida employees are currently being housed. Counsel McDonald informed the Commission that the 37 workers are currently living in an apartment complex in Garapan. Counsel McDonald stated that IPI has been paying for the rental fees, providing three meals a day, and providing security for these individuals since June this year. Chairman Sablan acknowledged IPI's humanitarian efforts in assisting these displaced construction workers and former Beilida employees.

**At 11:57 am, Commissioner Manglona made a motion to recess until 2:00 pm, and was seconded by Commissioner San Nicolas. The motion was put to a vote and unanimously approved.**

Chairman Sablan called the meeting back to order at 2:10 pm.

**V. OLD BUSINESS:**

**A. Big Bang Entertainment, LLC- Regular Junket Operator License (2-Year License)  
\* Operator: Du Young Jang**

Director Deleon Guerrero recognized the presence of Mr. Du Young Jang of Big Bang Entertainment, LLC who is applying for a regular two-year Junket Operator License from the Commission. The Director recognized Chief Edward Cabrera, Division of Enforcement and Investigations, to share the results of DEI's investigations of Mr. Du Young Jang.

Chief Cabrera introduced Mr. Patrick Sablan as the lead case agent in Mr. Du Young Jang's investigation. He asked that all questions about Mr. Jang's investigation be directed to Mr. Sablan as he is the most well-versed in Mr. Jang's case. Mr. Patrick Sablan, special agent, thanked the Commission and started his presentation with the areas of concern brought up by the Commission with regards to a zoning violation by Mr. Jang. Mr. Sablan informed the commission that there was a settlement agreement between Mr. Jang and the Zoning Board in which Mr. Jang paid the settlement. CCC has a copy of the paid settlement agreement signed by the Zoning Administrator, Ms. Therese Ogumoro. He informed the commission that the zoning violation against Mr. Jang back since 2008 has been settled since then. The next concern brought up by the Commission was the Default judgement between Ms. Teresa Lim and Mr. Du Young Jang. This transpired when Mr. Jang acted as a Guarantor during the time of the Tinian Dynasty Casino. A client was given a loan of \$30,000 by Ms. Lim, and after personally meeting and speaking to Ms. Lim, I was informed that she was fully paid since 2001. The next area of concern was the deportation case of 2001, CNMI vs. Du Young Jang. We found out through our interview with Mr. Jang that he did not renew his license and overstayed in the CNMI for five years and eleven days in 2001 through an expanded investigation on this case, the Commission found that during the 3<sup>rd</sup> Legislature back in 1984, there was a loophole in the Commonwealth Entry and Deportation Act that stated that once an alien voluntarily departs the CNMI, that alien can reenter the CNMI without a non-trial disposition. The 14 Legislature recognized this loophole and amended that Act to address the loophole in 2005. Because Mr. Jang's case happened in 2001, his deportation case was dismissed. Mr. Sablan informed the Commission that Mr. Jang currently possesses a U.S Green Card issued by the USCIS. The

next concern brought up by the Commission was Mr. Jang's BGRT which Mr. Sablan asked to be discussed in an Executive Session.

Mr. Sablan reported Mr. Jang's good character to the Commission as it is one of the licenses standard as per CCC Regulations. He informed the Commission that he spoke to Mr. Jang Yoon Cook, former President of The CNMI Korean Association, about Mr. Jang's good character in which Mr. Cook had a lot of positive things to say about Mr. Jang such as his membership in the Korean Association and generosity in supporting the Association's activities. Mr. Sablan also spoke with Mr. Lim Choi Yu, current President of The Korean Association of the CNMI who said that Mr. Jang was a great person within the community and as a member of the Korean Association. Mr. Sablan also asked Ms. Teresa Lim about Mr. Jang's good character, and she said that they're good friends and used to work together during the days of the Tinian Dynasty. Lastly, Mr. Sablan spoke to Mr. Kim Byeong Won from the default judgement of Mr. Jang who said that although he does not know Mr. Jang personally, he has heard that Mr. Jang is a decent and good person.

Mr. Sablan reported the last area of concern brought up by the Commission was the fixed assets of Mr. Jang. He informed the Commission that Mr. Jang handled all real estate acquisitions through his attorney. His company attorney would meet with potential sellers and negotiate a fair price. With regards to the market value of Mr. Jang's vehicles, the Kelley Blue Book Value only shows a small difference in values. Mr. Sablan concluded his report to the Commission stating that Mr. Jang's name was run through the Global Central Credit Check, World Check, Source of Wealth Check, and The Civil Litigation Check as well as the Criminal and Intelligence and all agencies have reported no derogatory findings against Mr. Du Young Jang.

Vice Chairman Reyes made a motion to reaffirm the decision of the last meeting to issue the approval of a regular Casino Junket Operator License (2-Year License) for Big Bang Entertainment, LLC. and was seconded by Commissioner Manglona. It was put to a vote and was unanimously approved.

At 2:25 pm, Commissioner Manglona made a motion to enter into Executive session to discuss financial matters and was seconded by Commissioner San Nicolas. It was put to a roll call vote with 5 "Yes" votes.

At 3:10 pm, Commissioner Manglona made a motion to exit from Executive Session and was seconded by Commissioner San Nicolas. The motion was put to a vote and was unanimously approved.

#### **B. Revenue Sharing Option & Rebate Agreement- Request for Approval**

Chairman Sablan recognized Mr. Mark Brown. Mr. Brown explained Revenue Sharing as it is done in Macau. He said that once the casino and the Junket Operator agree on a split i.e. 75-25 or 65-35, it is up to the Junket Operator how to divide its share with his players. IPI is requesting the Commission's approval for Revenue Sharing Option of a 75-25 split where 25 goes to the Junket Operator and 75 goes to the casino.

Chairman Sablan recognized Mr. Andrew Yeom, CCC Compliance Manager. Mr. Yeom asked

Mr. Brown for IPR's criteria in deciding which Junket Operator gets what option. Mr. Brown informed the Commission that IPR will have different rooms for different options for different Junket Operators. For example, Junkets XYZ will be in Room A for Revenue Sharing options, Junkets ABC will be in Room X for Rolling options, etc. Mr. Brown explained to the Commission that in Macau, most players end up in the Profit Sharing rooms.

Chairman Sablan requested that IPI provide SOP's on how IPR plans to operate Revenue Sharing Option & Rebate Agreement to the Commission.

Vice Chairman Reyes made a motion to approve Revenue Sharing Option & Rebate Agreement pursuant to IPI's letter to the Commission dated January 18, 2017 on the game based rebate not the mixed rebate and was seconded by Commissioner Manglona. It was put to a vote and unanimously approved.

## VI. NEW BUSINESS:

### A. Proposed Amendments to the Casino Regulations:

Chairman Sablan recognized Mr. Charlie Atalig, CCC Audit Manager.

#### 1. §175-10.1-595(a), (b) Additional Documents for Ongoing Financial Suitability.

(a) Charlie informed the Commission that the above proposed amendment would call for an annual filing of a projected financial cash flow statement and operational budget schedule to insure the licensee has an overall idea of what the capital requirements are for their projects.

(b) Mr. Atalig informed the Commission that the above proposed amendment would require the licensee to submit the capital investment expenditures for the monitoring and tracking of the \$2B investment requirement under the Commonwealth Law.

#### 2. §175-10.1-920(b)(4) Licensee Standards.

Chairman Sablan recognized counsel Ernest. Counsel Ernest informed the Commission that the above proposed amendment refers to how far Commission staff will be looking back at the licensee's standards. This amendment will allow CCC staff to look back as far as 10 years for all casino employees, junket operators, and service providers.

#### 3. §175-10.1-1501 Commencement of Complaint.

Counsel Ernest informed the Commission that the above proposed amendment deals with the commencement of complaint for enforcement actions which states that the complaint can be amended as deemed necessary by the Executive Director through legal counsel.

#### 4. §175-10.1-1510 Notice of Defense.

Counsel Ernest informed the Commission that the above proposed amendment will allow the parties, the respondent and the Executive Director to stipulate the Notice of Defense (an extension of time to answer a complaint).

5. §175-10.1-1805(b) Grounds for Disciplinary Action.

Counsel Ernest informed the Commission that the above proposed amendment would include failure to make efforts to collect on gaming credits from patrons pursuant to Casino Regulation to the list of unsuitable methods of operation.

6. §175-10.1-1830(c) Reports of Violations and of Felony Conviction.

Counsel Ernest informed the Commission that the above proposed amendment is quite self-explanatory as it deals with the requirement that a licensee inform the Commission of any known violations and subsection C would be known as the Whistle Blower Protection stating that the licensee or any of its agents could not retaliate people who just do what they are required to do under the regulations.

7. §175-10.1-1855(d), (e) Collection of Gaming Debt.

(d) Counsel Ernest informed the Commission that the above proposed amendment would require the licensee to take action regarding collections until the debt is settled.

8. §175-10.1-2535(c) Determination of Offense Level.

Counsel Ernest informed the Commission that 2535(c) and 2555 are complimentary which allows the Executive Director to make determinations without a Hearing.

9. §175-10.1-2555 No Hearing Necessary for Determinations.

Commissioner Santos made a motion to adopt the above listed proposed amendments to the Casino Regulations and was seconded by Commissioner Manglona. It was put to a vote and numbers 1,2,3,4,5,6,8, & 9 were unanimously approved except number 7 which received 8 "Yes" votes and 1 abstained vote by Commissioner Reyes.

B. Proposed Permanent Adoption of Casino Regulations:

- |                   |  |
|-------------------|--|
| 1. §175-10.1-635  | Initial Gaming Facility.                                   |
| 2. §175-10.1-801  | Temporary Live Training Facility Authorized.               |
| 3. §175-10.1-815  | Cessation of Live Training Facility.                       |
| 4. §175-10.1-1305 | Service Provider and Vendor License Requirements.          |
| 5. §175-10.1-1390 | Casino Vendor License.                                     |
| 6. §175-10.1-1830 | Reports of Violations and of Felony Convictions.           |
| 7. §175-10.1-2001 | Approval of Chips and Tokens; Applications and Procedures. |

Commissioner Santos made a motion to permanently adopt the above listed casino

regulations except for numbers 4, 5, 6, & 7 as they were previously addressed and was seconded by Vice Chairman Reyes. It was put to a vote and was unanimously approved.

**C. Approval of Regular Casino Key Employee License (2-Year License):**

1. Mr. He, Jianhao (“Rex”) - Senior Gaming Data Analyst
2. Mr. Wang, Shyun Han (“Vince”) - Assistant Director of Surveillance Technical

Commissioner Santos made a motion to approve the regular key employee licenses for Mr. He, Jianhao (“Rex”) - Senior Gaming Data Analyst and Mr. Wang, Shyun Han (“Vince”) - Assistant Director of Surveillance Technical and was seconded by Vice Chairman Reyes. It was put to a vote and was unanimously approved.

**D. Approval of Regular Casino Service Provider License (2-Year License):**

Dallmeier Electronic Gmbh & Co KG: Surveillance Systems. Provisional License will expire on 10/06/2017.

Vice Chairman Reyes made a motion to approve Dallmeier Electronic Gmbh & Co KG and was seconded by Commissioner Manglona. It was put to a vote and was unanimously approved.

**E. Notification of Provisional Non-Gaming Vendor Licenses:**

1. HCCG Building & Civil Engineering (Saipan) Ltd: General Construction (Exp. 06/13/2018)
2. Lasvit Incorporated: Installation of Art Light Fixtures (Exp. 07/12/2018)
3. Ocean Construction (CNMI) Co. Ltd. Real Estate/General Construction (Exp. 07/13/2018)
4. Haitian Construction Group (CNMI) Corp. General Construction (Exp.7/24/2018)
5. Winzy Corporation (dba RAD General Construction): Installation Fire Alarms Services (Exp.7/24/2018)
6. Sanderia Group Ltd (dba: Redfin Aquarium Design): Manufacturer of Acrylic Aquarium (Exp.7/25/2018)
7. Grandland Group (CNMI) Ltd: General Construction & Design (Exp. 08/03/2018)
8. Hawaiian Rock Product Corp: Ready-mixed Concrete and Aggregate (Exp. 08/21/2018)
9. Dragon Cheng Pacific Corp: Gen Construction Contractor & Rental (Exp. 08/21/2018)

**F. CNMI Senate Standing Committee on Gaming:**

1. CCC response to the Committee request for follow-up information

2. Scheduled Tour of IPR: September 22, 2017

Show Time: 10 AM; Tour: 10:15 AM at the IPR Lobby

3. Other Matters

**VII. EXECUTIVE SESSION:**

At 4:26 pm, Commissioner Manglona made a motion to enter into executive session to consult with Legal Counsel, to hear the Audit Manager’s Report and to discuss IPI Financial Matters. The motion was seconded by Commissioner San Nicolas and put to a roll call vote with four (4) yes

votes. Vice Chairman Reyes was not present at the time when voting took place.

- A. Report by the Legal Counsel
- B. Report by the CCC Audit Manager
- C. IPI Financial Matters

At 5:01 pm, Commissioner Santos made a motion to exit executive session and was seconded by Commissioner Manglona. It was put to a vote and was unanimously approved.

At 5:03 pm, Vice Chairman Reyes made a motion to recess until tomorrow, Friday, September 22, 2017 at 10:00 am at the IPR Lobby, seconded by Commissioner Manglona. It was put to a vote and was unanimously approved.


Chairman Sablan called the meeting back to order at 10:26 am on Friday, September 22, 2017 at the Imperial Pacific Resort (IPR) lobby.

Present for the IPR tour were Senate Committee on Gaming Chairman Justo Quitugua, Vice Chairman Sixto Igisomar, Senator Francisco Cruz, Senator Francisco Borja, Senate Legal Counsel for Gaming Committee Antonette Ramon, Senate Legal Assistant Jolene Tagabuel and Senate Staffer George Camacho.


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 12:24 pm on Friday, September 22, 2017.

Prepared by: for  Date: 10/25/17  
Carmen Ann B. Sablan  
Executive Secretary

Concurred by:  Date: 10/25/17  
Justin S. Manglona  
Commission Secretary

APPROVED AND ADOPTED ON: 29<sup>th</sup> day of November, 2017.

 Date: 11/29/17  
Justin S. Manglona  
Commission Secretary