



November 27, 2013

Stephen P. Crosby, Chairman
Gayle Cameron, Commissioner
James McHugh, Commissioner
Bruce Stebbins, Commissioner
Enrique Zuniga, Commissioner

Massachusetts Gaming Commission
84 State Street, Suite 720
Boston, MA 02109

RE: SUITABILITY INVESTIGATION FOR BLUE TARP reDEVELOPMENT,
LLC, APPLICANT FOR A CATEGORY 1 GAMING LICENSE

Dear Chairman Crosby and Commissioners,

Blue Tarp Redevelopment, LLC (“Blue Tarp”) has applied to the Massachusetts Gaming Commission (“MGC”) for a Category 1 license pursuant to M.G.L. Ch. 23K.

Pursuant to M.G.L. Ch. 23K section 12, the Investigations and Enforcement Bureau (IEB) of the MGC was tasked with conducting a suitability investigation of each applicant for a gaming license. The MGC recognized that these types of investigations are unprecedented in Massachusetts and that it would be impractical to staff these investigations internally under the expected time frames for licensure. Accordingly, recognizing the need for expertise in this area, the MGC posted a Request for Response (RFR) in order to obtain the services of expert gaming investigators to work with the IEB in this process. 205 CMR 115.03(1) There were two responses received by the MGC and the Commission made the award to the joint application from the consulting firms of Spectrum Gaming and Michael & Carroll. The Spectrum team was assigned to assist the IEB with the Blue Tarp investigation.

Spectrum Gaming is an independent research and consulting firm entrusted by gaming commissions around the world to conduct entity and individual due diligence investigations of casino applicants. The investigative team is headed by Managing Director Fredric Gushin, a former Assistant Attorney General with the New Jersey Division of Gaming Enforcement, and includes former law enforcement personnel, former gaming regulators, attorneys, CPAs, analysts, and former journalists. Recent



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Spectrum clients for such investigations include the Maine Harness Racing Commission, Maryland Lottery Commission, Ohio Casino Control Commission, Singapore Casino Regulatory Authority, Singapore Ministry of Home Affairs, and several tribal governments. Spectrum has provided investigative, regulatory and other services to governments in 14 US states and territories and to national governments in Asia, Europe, and the Caribbean.

Over the past several months, the IEB has supervised the contract investigative personnel and the Massachusetts State Police (MSP) Gaming Enforcement Unit while they worked together to conduct the statutorily required suitability and background investigations. The process commenced with “scope of licensing determinations,” based on each applicant’s organizational structure. The interested parties were permitted to submit briefs and memoranda detailing the entities and individuals they believed were required qualifiers, along with those they felt were statutorily eligible to be waived from qualification.

The IEB, MSP and investigative staff participated in various meetings with the applicant, Blue Tarp, to determine which entities and individuals required qualification as part of the RFA Phase I licensing process. After careful review of materials and discussions with Blue Tarp representatives, the entities and individuals identified in this investigative report were required to qualify in accordance with the filing requirements as established at M.G.L. c.23K Section 14 and 205 CMR 116.02. It should also be noted that the applicant was given the opportunity to object to these determinations, and after review, the IEB finalized the list of Blue Tarp qualifier persons and entities. This final determination was accepted by the applicant. Each qualifying entity or qualifying individual natural person was then subject to the full statutorily required background investigation conducted by the IEB.

The criteria utilized by the IEB in the determination of Blue Tarp’s qualifiers are set forth in the relevant statutory provisions governing the scope of licensing issues, that is, M.G.L. c.23K Section 14(a), (b), (c), (g), and (h). Additionally, the IEB applied all relevant sections of the MGC’s own regulations, specifically, 205 CMR 116.01 – 116.03, inclusive. After the initial scope of licensing was determined, Blue Tarp then complied with the submission of the required application materials, privacy and liability waivers, application fee, and all information requested during the course of the comprehensive investigation of each qualifier.

These determinations were based upon the submissions of Blue Tarp and verifications by the IEB personnel, and are subject to change should contrary information be revealed during the background investigation or the Phase II processes. 205 CMR 116.03(3). It should also be emphasized that the initial scope of licensing determinations



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made herein do not prejudice nor limit the IEB and Commission's right to include any person or entity as a qualifier at any time, should it be deemed necessary in the best interest of the Commonwealth. 205 CMR 116.03(3). Indeed, any initial waiver of a person or entity does not exclude those persons or entities from scrutiny. The IEB may, and in fact did, investigate anyone that it determined had a bearing on the evaluation of the suitability of Blue Tarp and its qualifiers. 205 CMR 116.03(3).

Finally, the IEB has also advised the applicant that it is required to establish the suitability of all financial sources relating to the gaming establishment. All of these financial sources may not be known at this juncture and any additional financial sources will need full disclosure, background and suitability investigation and evaluation when identified by the applicant, if the Commission approves the applicant's advancement to the Phase II processes.

In order to achieve Phase I suitability, an applicant for a casino gaming license and any person or entity deemed a qualifier pursuant to M.G.L. c.23K §14 and 205 CMR 116 et seq must provide all required application materials set forth in 205 CMR 111 relevant to Phase I evaluations, as well as satisfy the relevant statutory suitability criteria as set forth in M.G.L. c.23K §12 and §16 of the Act. The standard for satisfaction of the suitability criteria requires each applicant/qualifier to establish its qualification for licensure to the commission by clear and convincing evidence (M.G.L. c.23K §13(a)). The various statutory criteria with appropriate annotations are listed below.

RELEVANT PHASE 1 STATUTORY CRITERIA

Has applicant/qualifier been convicted of a felony or other crime involving embezzlement, theft, fraud or perjury?

M.G.L. c.23K §16(a)(i)

Has the applicant/qualifier submitted an application for a gaming license which contains false or misleading information?

M.G.L. c.23K §16(ii)

Has the applicant/qualifier committed prior acts which have not been prosecuted or in which the applicant/qualifier was not convicted but form a pattern of misconduct that makes the applicant unsuitable for a license under this chapter?

M.G.L. c.23K §16(iii)



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Does the applicant/qualifier have affiliates or close associates that would not qualify for a license or whose relationship with the applicant may pose an injurious threat to the interests of the Commonwealth in awarding a gaming license to the applicant?

M.G.L. c.23K §16(iv)

Does the applicant/qualifier demonstrate integrity, honesty, good character and reputation?

M.G.L. c.23K §12(a)(1)

Does the applicant/qualifier demonstrate financial stability, integrity and background?

M.G.L. c.23K §12(a)(2)

Do the business practices and the business ability of the applicant/qualifier demonstrate the capacity to establish and maintain a successful establishment?

M.G.L. c.23K §12(a)(3)

Does the applicant/qualifier have an adverse history of compliance with gaming license requirements in other jurisdictions?

M.G.L. c.23K §12(a)(4)

Is the applicant/qualifier a defendant in litigation involving its business practices?

M.G.L. c.23K §12(a)(5)

Are all the parties in interest, including, but not limited to, affiliates, close associates and financial sources suitable to hold or participate in the gaming license?

M.G.L. c.23K §12(a)(6)

Is the applicant/qualifier disqualified from receiving a license under M.G.L.c.23K section 16?

M.G.L. c.23K §12(a)(7)

Has the applicant/qualifier failed to establish their integrity or the integrity of any affiliate, close associate, financial source or any person required to be qualified by the commission?

M.G.L. c.23K §12(b)(i)

Has the applicant/qualifier failed to demonstrate responsible business practices in any jurisdiction?

M.G.L. c.23K §12(b)(ii)



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Has the applicant/qualifier failed to overcome any other reason, as determined by the commission, as to why it would be injurious to the interests of the Commonwealth in awarding the applicant a gaming license?

M.G.L. c.23K §12(b)(iii)

Has the applicant/qualifier made any political contributions prohibited by M.G.L. c.23K?

M.G.L. c.23K §46, §47 and 205 CMR 108

INVESTIGATIVE PROCESS

Outlined below are the various steps taken in evaluating each applicant, qualifying entity and qualifying individual's suitability. While the following items contain specific areas of inquiry, such information is gleaned from many different and diverse databases. These services were initially focused on specific areas (for example, civil litigations, criminal conviction information, real estate and title records etc.), and then expanded as needed depending on the results. If information was revealed, then it was accumulated, cross-referenced, and compiled into workable summaries for careful evaluation by analysts. Thereafter, from this mass of information, a database report was derived on each applicant/qualifier, and was then reviewed by a supervisor and field investigator. Follow-up verifications of relevant important data (for example, licenses, compliance histories etc.) and areas of concern were then the subject of follow-up investigative activities. Qualifiers were interviewed in person, and that interview included an opportunity to provide clarification of any issues in the event derogatory information was found during the investigation.

An attorney review of the investigative results was conducted, followed by detailed consultation between both legal and investigative teams. The material was then digested into a draft suitability report, which was submitted for review, editing and final analysis by the Massachusetts State Police, IEB legal and ultimately the IEB Director.

The subject areas of this investigation have included the following:

1. Public Record Database checks which included, but were not limited to, the following:
 - a. Searches for incorporation papers and corporate filing for incorporation in other states have been conducted for the identified privately held companies.



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- b. Verification of the applicant company and its owners and affiliated entities and individual qualifiers through address verifications and other companies operating from the same location(s).
 - c. Verification of business information and credit profiles on all qualifiers through Dun & Bradstreet.
 - d. Searches for national fictitious business names and “doing business as”.
 - e. Civil litigation searches relative to liens, bankruptcies and judgments in the state of incorporation and all other states or commonwealths that have such information online.
 - f. Nationwide bankruptcy searches on the entity and individual person qualifiers have been conducted.
 - g. Searches for all UCC filings to determine secured parties and banking affiliations.
 - h. National media searches on all entity and individual person qualifiers, as well as relevant affiliations.
 - i. Federal District Court Docket Summary searches for all states.
 - j. Business assets searches.
 - k. Limited Liabilities Company searches and Limited Partnership searches.
2. The status of all current and expired licenses, especially gaming licenses, disclosed by the entity or individual person qualifiers has been verified.
3. The compliance history of the applicant and/or owners, parent company or gaming related affiliates or subsidiaries in all gaming jurisdictions in which they operate has been examined and evaluated.
4. The company website and affiliated websites have been examined and evaluated.
5. As relevant, copies of stock certificates verifying each beneficial owner of the company as well as (again, if relevant) copies of the stock registry from the corporate secretary/registered agent have been obtained. Verifications of the various qualifier entities and individual person qualifiers ownership interests have been verified.



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6. A certified public investigative accountant has conducted financial integrity and stability analysis of applicant owners and specific applicant affiliated entities relevant to the new applicant entities creation and formation. A critical review of the owner's annual financial statements and tax was also conducted. In addition:
- a. A review of the applicant's individual person qualifiers' financial statements was conducted.
 - b. If financial statements were not audited, an analysis of three years of reviewed, compiled and/or internally prepared financial statements was conducted.
 - c. If financial statements were audited, the contact name and number of the independent CPA firm's audit manager was obtained.
 - d. Available management letters or internal control letters issued by the independent CPA for the past three years were evaluated.
 - e. The applicant entity and all entity and individual person qualifiers' tax compliance histories were reviewed and evaluated.
 - f. Documentation/information of the owners and entity and individual person qualifier historical line(s) of credit and long term debt (mostly related intra-family party debt or debt to/from a related entity) balances were obtained, reviewed and evaluated.
 - g. A comprehensive list of the entity's bank accounts (domestic and foreign) with copies of complete bank statements for past three years was obtained, reviewed and evaluated by financial investigators and accountants.
 - h. A letter from the banks (domestic and foreign) listing all entity and qualifiers' bank accounts and indicating the most current balance for each account along with a list of authorized signatories for each account was obtained.
 - i. A listing of all-gaming-related licenses applied for by the applicant company, including the date and disposition, was obtained and reviewed. Relevant licensing agencies were contacted to verify the applicant's status and licensure.



- j. Minutes of relevant Board of Directors meetings and compliance committee meetings for the past three years were obtained, reviewed and evaluated.
- k. All relevant applicant qualifier compliance, due diligence and audit investigations conducted during the past five years were obtained and reviewed. Additionally, a copy of the applicant's current compliance practices in existing licensing jurisdictions was obtained and reviewed.
- l. A list of all new gaming acquisitions or sale of gaming properties for the past five years was obtained and reviewed.
- m. Income analysis, net worth and asset evaluation were conducted for all individual person qualifiers.

7. Compliance with Foreign Corrupt Practices Act (FCPA) and Anti-Money Laundering (AML) policy and protocol was reviewed on all relevant qualifier entities and individual person qualifiers. Applicable policies and procedures, as well as a sampling of internal and/or external investigations or relevant compliance hypothetical scenarios, were included as subjects of personal interviews with key owners/qualifiers and were evaluated.

For publicly traded companies, a review of all above noted checks and critical Securities and Exchange Commission (SEC) filings, including quarterly filings and annual reports filed by the company for the past three years, was conducted. A check with the SEC and state security officials as to the applicant and any investigations conducted by these agencies over the past seventeen-year period was performed.

For international companies and/or subsidiaries, steps were taken to replicate the investigatory steps taken for domestic entities, and were executed to the extent possible. The beneficial ownership of the entity was determined and, if applicable, a copy of the stock registry from the company's registered agent was secured. A media search in the country where the applicant is incorporated and headquartered, as well as within the major countries where the company engages in business activity, was conducted.

8. Motor vehicle registrations, driver's licenses and driving history records were examined and verified.

9. The investigative team also examined the applicant and its qualifiers' past business practices and business ability as well as the qualifiers' demonstrated history to launch and maintain a successful gaming establishment.



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10. The applicant qualifiers' history of compliance with gaming regulations was assessed.
11. The applicant qualifiers' litigation history was assessed.
12. The applicant qualifiers' record of political contributions in Massachusetts and, if relevant, other jurisdictions was assessed.
13. The Massachusetts State Police conducted thorough federal, state, and commonwealth criminal history inquiries based on the applicant qualifiers' submissions and also processed fingerprint examinations on all natural person qualifiers.
14. An inquiry was conducted to determine if any credible information existed in any data bases, online or available from law enforcement, and regulatory sources regarding any applicant or qualifier involvement or affiliation with any organized criminal groups or persons with criminal histories.
15. Each individual person qualifier's educational background was examined and verified.
16. Each individual person qualifier's employment history was examined and verified as necessary.
17. All personal references for individual person qualifiers were contacted and interviewed.
18. All professional licenses of applicant qualifiers were examined and verified, including specific verification of any gaming industry related licenses, permits or suitability determinations.
19. Applicant's business affiliations for applicant entities and individual person qualifiers were examined and evaluated.

AREAS OF NOTE

While not rising to the level of a proposed issue for an adjudicatory hearing, the IEB does take note of the often incomplete manner in which David Callahan, a natural person qualifier, submitted required information to the Commission's suitability review. Accuracy and completeness in filings made to the Commission



are of the utmost importance and all persons and/or entities seeking to do business in the Commonwealth of Massachusetts should be mindful of all requirements.

With respect to Dubai World, while not rising to the level of a proposed issue for an adjudicatory hearing, the IEB does take note that authority over the management of the Infinity World of Companies has been delegated to named Infinity World directors and managers, who have control, voting and dispositive authority over the Infinity World companies' interest in the MGM and CityCenter investments. Chief Financial Officer Rahimullah, although not a party to this delegation, did not recollect this arrangement during his interview with Investigators and believed that Dubai World controlled the investment in MGM stock. The delegation of authority resolution is important to the Commission because it ensures that those responsible for managing Dubai World's equity interest in MGM Resorts International fall within the Commission's scope of licensing.

RECOMMENDATION

The findings of fact relative to this investigation can be found in the attached report. The portion of the investigative report addressing the six entity and six natural person qualifiers associated with Dubai World's beneficial ownership of 5.3 percent of MGM Resorts International common stock is attached separately and fully incorporated. Specifically, those findings of fact are listed in the Executive Summary and in sections III through XII of the Blue Tarp report and in the Executive Summary and in sections III through V of the Dubai World report.

On the basis of the investigation to date and as supported by the findings of fact as described therein, the IEB advises the Commission that based on the criteria listed in the gaming laws and regulations in Massachusetts, including Mass. Gen. Laws ch. 23K, § 12, 13, 14 and 16, it has not discovered any disqualifying factors that would necessarily preclude the Applicant from being issued a Category 1 Gaming License. However, the IEB recommends that the determination of suitability be subject to the recommended conditions listed below. As stated in 205 CMR 115.03 – 115.05, the IEB is only providing a recommendation and the final determination of suitability rests within the Commission's sound discretion.

The IEB recommends that the Commission find the applicant, Blue Tarp redevelopment, LLC, suitable for licensing subject to the following conditions:

1. The Applicant should satisfy the Commission at a hearing that the Applicant's and relevant qualifiers' response to the Christiansen matter and subsequent



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remedial measures adequately demonstrate the Applicant's and relevant qualifiers' suitability under M.G.L. Ch. 23K.

2. The Applicant should satisfy the Commission at a hearing that the Applicant's business practices in Macau meet the statutory requirement of "responsible business practices in any jurisdiction" under M.G.L. c.23K §12(b)(ii).
3. The Applicant should also present evidence at a hearing to satisfy the Commission that Vincent Barletta and Ronald Gillis meet the statutory criteria for suitability given concerns outlined in the report.

As stated in 205 CMR 115.03 – 115.05, the IEB is only providing a recommendation and the final determination of suitability rests within the Commission's sound discretion.

The IEB suggests that if the applicant is awarded a Category 1 license, the Commission consider adding the following conditions to the license:

1. The applicant (including Dubai World) shall promptly report any changes relating to their ownership, members, managers and/or directors; any new owners, members, managers and/or directors be required to submit a PHD and Mass Supp, or BED form to the Commission; and that any owners, members, managers and/or directors must be found suitable by the Commission;
2. The IEB recommends that the applicant be required to continue to adhere to a Plan for compliance with the United States Currency and Foreign Transactions Reporting Act satisfactory to the Commission;
3. The Applicant, and its individual principals and principal entities, shall refrain from any personal or business contact with Terry Christensen;
4. Any unavoidable contact with Terry Christensen shall be reported to the Commission within 10 days of the contact;
5. Documents and information required to be provided to regulators in any U.S. jurisdiction on Macau operations also be provided to the Massachusetts Gaming Commission in a timely manner; and
6. Dubai World shall provide to the Massachusetts Gaming Commission in a timely manner, copies of the quarterly certifications attested to by the principals regarding compliance with the delegation resolution, and accompanying materials, as required to be filed with Nevada gaming regulators; and



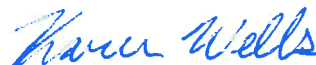
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7. Dubai World and its qualifying entities shall submit annual audited financial statements to the Commission.

This report reflects the findings of the IEB as of this date. The Bureau will continue to investigate the background and qualifications of all applicants and ultimately, all licensees. Should any additional information be gleaned from further inquiry, it will be appropriately reported to the Commission for further review.

It should also be understood that any determination of suitability that might be made by the Commission based on this and other suitability reports during this Phase I process will not constitute the final analysis of those matters. This suitability report will become part of the material considered during Phase II of the evaluation process as the Commission is empowered to also consider the relative suitability of applicants when it makes its final license decision at the end of Phase II.

Respectfully submitted,



Karen Wells
Director
Investigations and Enforcement Bureau
Massachusetts Gaming Commission



Massachusetts Gaming Commission

INVESTIGATIVE REPORT
FOR THE
MASSACHUSETTS GAMING
COMMISSION

APPLICANT:

Blue Tarp reDevelopment, LLC
3950 Las Vegas Boulevard South
Las Vegas, NV 89119

November 27, 2013

Category 1 Gaming License

Executive Summary

Introduction

Blue Tarp reDevelopment LLC (“Blue Tarp”) has filed an application to the Massachusetts Gaming Commission (“MGC” or “Commission”) for a Category 1 gaming license. Blue Tarp proposes to build and operate a casino gaming facility in Springfield, MA, utilizing approximately 14.5 acres of land over a multi-block area. The projected cost is estimated at \$800 million.

Blue Tarp is a Massachusetts Limited Liability Company formed on February 23, 2012, and currently owned 99 percent by MGM Resorts International (“MGM Resorts International”¹) and 1 percent by Paul C. Picknelly. Its current principal place of business is 3950 Las Vegas Boulevard South, Las Vegas, NV. MGM Resorts International is publicly held.

MGM Resorts International is a Delaware Corporation formed on January 29, 1986, and is located at 3600 Las Vegas Boulevard South, Las Vegas, NV. Its primary business is the ownership and operation of casino resorts. MGM Resorts International is the parent holding company of numerous subsidiary entities that collectively own, operate, and invest in casino resorts worldwide. MGM Resorts International operates 15 wholly owned casino resorts in the United States. Its primary venue is in Las Vegas, where its properties are Bellagio, MGM Grand Las Vegas, Mandalay Bay, The Mirage, Luxor, New York-New York, Excalibur, Monte Carlo and Circus Circus Las Vegas. It also operates casino resorts in Detroit, MI; Biloxi and Tunica, MS; Reno, Jean and Henderson, NV and has interests in other domestic casinos. A significant portion of MGM Resorts International’s business comes from its operations in China, specifically the MGM Macau casino that is located in Macau, a Special Administrative Region of the People’s Republic of China. MGM Resorts International holds 51 percent of the common stock of MGM China Holdings Ltd., which wholly owns MGM Grand Paradise SA, the owner/operator of the MGM Macau.

Tracinda Corporation, a privately held investment firm, is a Nevada corporation formed on June 23, 1976 that holds an 18.6 percent ownership interest in MGM Resorts International.

¹ On June 15, 2010, MGM Mirage changed its name to MGM Resorts International, the latest of several name changes in its history. To avoid confusion, the current corporate name is used throughout this Report, even when referring to events prior to June 15, 2010.

Dubai World, a Dubai, United Arab Emirates (“UAE”) government-decree entity, beneficially owns approximately 5.3 percent of the common stock of MGM Resorts International through Infinity World Holding Limited; Infinity World (Cayman) Holding; Infinity World (Cayman) LP; Infinity World Cayman Investments Corporation and Infinity World Investments LLC, all directly or indirectly owned subsidiaries of Dubai World. Dubai World is not a passive investor; it occupies a seat on the MGM Resorts International Board of Directors, and in addition through ownership of other entities is an equal joint venture partner with MGM Resorts International in the ownership and development of the CityCenter project in Las Vegas.

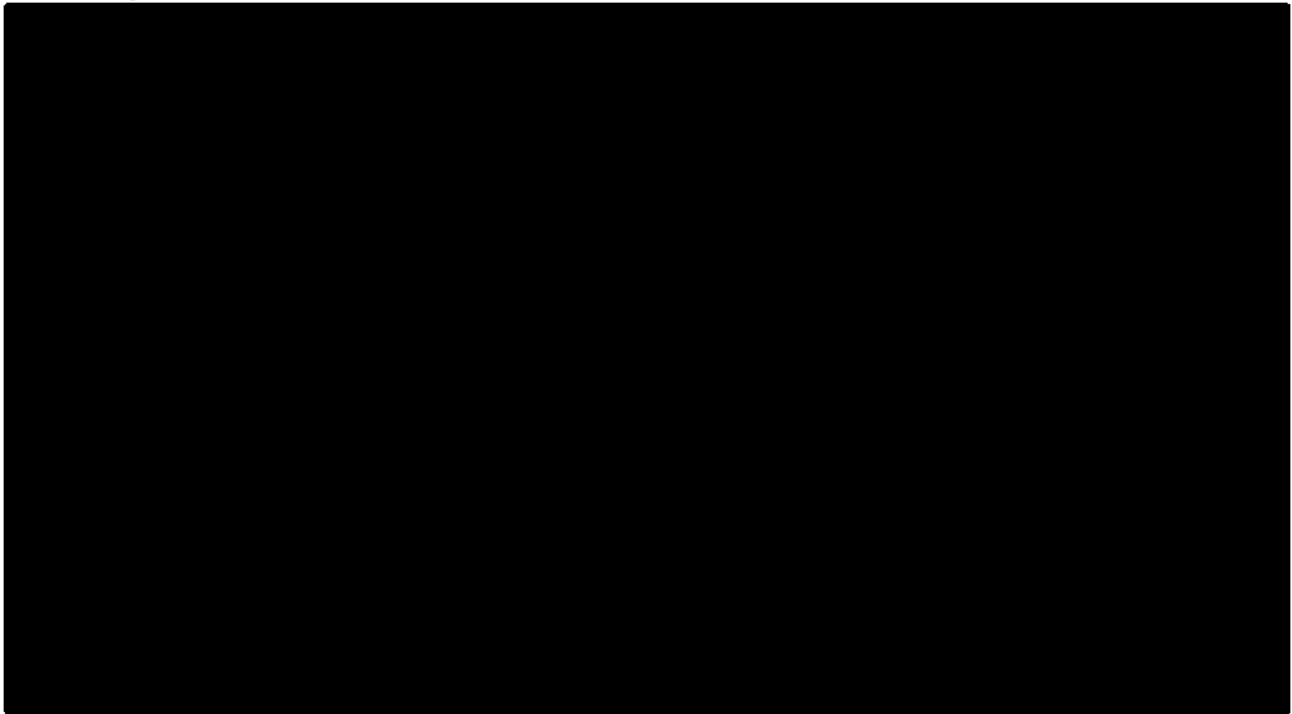
Rolling Hills Estates Realty Trust has a contractual agreement with Blue Tarp to annually receive a portion [REDACTED] of the annual EBITDA gaming revenue of Blue Tarp, a payment negotiated on March 9, 2012, to release MGM Resorts International from a January 10, 2012, Option Agreement it entered into with Rolling Hills Estates Realty Trust regarding the planned purchase of land for a casino site in Brimfield, MA. Rolling Hills Estates Realty Trust was formed by a January 27, 1995, Declaration of Trust by David Callahan and Vincent Barletta, and is currently for the equal benefit of Cal Rolling Hills LLC (consisting of David Callahan and other family members), and Rolling Hills Development LLC (consisting of Vincent F. Barletta and others). VFB Dynasty Trust is the vehicle through which Vincent F. Barletta holds his interest in Rolling Hills Development LLC.

In its entirety, the Blue Tarp application consists of 13 entity qualifiers and 36 individual qualifiers. The 13 entity qualifiers of the Applicant are:

- Blue Tarp reDevelopment, LLC
- MGM Resorts International
- Tracinda Corporation
- Dubai World
 - Infinity World Holding Ltd.
 - Infinity World (Cayman) Holding
 - Infinity World (Cayman) LP
 - Infinity World (Cayman) Investments Corp.

- Infinity World Investments LLC
- Rolling Hills Estates Realty Trust
 - Cal Rolling Hills LLC
 - Rolling Hills Development LLC
 - VFB Dynasty Trust

The following is a chart reflecting the relationship between the various applicant entities, as of May 10, 2013.



The IEB waived the qualification requirements for two entity shareholders that hold their interests in MGM Resorts International stock as institutional investors. They are: Janus Capital Management LLC, 151 Detroit Street, Denver, CO 80206 (holds 7.7 percent stock ownership) and Paulson & Co. Inc., 1251 Avenue of the Americas, New York, NY 10020 (also holds 7.7 percent stock ownership). These are investment advisors registered with the Securities and Exchange Commission (“SEC”) under the Investment Advisors Act of 1940. These investments are passive in nature and these two companies do not have Board representation.

When originally formed on February 23, 2012, Blue Tarp reDevelopment consisted of the following Members and equity interests: Paul C. Picknelly (██████████); Francis J. Cataldo Jr. (██████████); Thomas D. Murphy Jr. (██████████) and Heriberto Valentine Flores Jr. (██████████). The initial Manager of the entity was Thomas D. Murphy Jr., Esq., of 272 Exchange Street,

Chicopee, MA 01013. Murphy served until August 30, 2013, when as a result of MGM Resorts International's May 25, 2012, acquisition of a [REDACTED] controlling interest, James J. Murren and Corey I. Sanders became the Managers. Current Officers of Blue Tarp are: William J. Hornbuckle (President and COO), Daniel J. D'Arrigo (Treasurer), John M. McManus (Secretary) and Andrew Hagopian III (Assistant Secretary). Blue Tarp is also the holder of numerous real estate option contracts constituting a significant portion of the real estate upon which the Applicant plans to construct its facility.

Blue Tarp itself, as a relatively new entity, does not have any demonstrable business experience. However, MGM Resorts International, as the parent holding company of numerous subsidiary entities, collectively owns, operates and invests in casino resorts worldwide and operates 15 wholly owned casino resorts in the U.S. The members and officers of Blue Tarp are experienced MGM Resorts International executives with extensive and complementary areas of expertise. In addition, Picknelly, the minority owner of Blue Tarp, is an accomplished Springfield-based businessman with a vast portfolio of hospitality and real estate interests.

The Massachusetts State Police and the Commission's Investigation and Enforcement Bureau ("IEB"), hereafter referred to collectively as the "Investigators," conducted the suitability background investigation of the Applicant and its qualifiers.

In the course of this investigation, the Investigators requested the production of voluminous records and documents from the Applicant and its affiliates. Such requests for relevant information were necessary in order to conduct the requisite, thorough background review. Sworn interviews were conducted of certain applicants and related individuals, as deemed necessary by the Investigators. In all respects, the Applicant and the above-named qualifying entities were cooperative and compliant, dutifully providing updated information upon request as the investigation progressed.

The Investigators submitted separately the portion of the investigative Report addressing the suitability of the six entity and six natural persons qualifiers associated with Dubai World's beneficial ownership of 5.3 percent of MGM Resorts International common stock. The Dubai World segment of the Report is attached and incorporated fully herein. The investigation associated with that segment of the Report did not reveal any significant derogatory information relating to the Dubai World qualifiers.

This Report expounds on three issues pertaining to the Applicant's suitability:

- The Terry Christensen matter
- Matters relating to MGM's Macau operation
- A matter involving individual qualifiers Vincent Barletta and Ronald Gillis relating to the preparation of Barletta's application

Apart from these, the investigation did not reveal any significant derogatory information relating to any individual qualifiers or other entity qualifiers.

The first significant issue is referred to herein as the "Terry Christensen matter." Christensen was a member of MGM Resorts International's Board of Directors for over 18 years, until he resigned, at the demand of New Jersey gaming regulators, on the heels of his federal indictment for illegal wiretapping and conspiracy charges. He was later convicted. Despite his indictment, resignation from the Board and ultimate conviction, Christensen was allowed to engage, on a repeated and prolonged basis, in certain sensitive and non-public corporate matters of MGM Resorts International and/or Tracinda Corporation, including his attendance at Board meetings. Christensen's participation in company affairs during this period occurred in the presence of and with the knowledge of Chief Executive Officer James J. Murren and Tracinda Corporation qualifiers Kirk Kerkorian, Anthony Mandekic and Daniel J. Taylor, all of whom have subsequently admitted that they made mistakes in allowing this to happen. It should be noted that MGM adopted changes in its compliance and corporate governance functions following the Christensen matter. This matter is addressed in detail in this Report.

Secondly, this Report discusses MGM's Macau operation. This investigation has shown that MGM operates the MGM Macau in conformity with the Macanese legal and regulatory framework, and at times MGM goes beyond what is required by regulators in Macau. However, the regulatory framework in Macau differs from the scope of due diligence, policies and procedures which are required by U.S. gaming regulators and which are practiced by MGM domestically. In addition, this Report discusses the manner in which MGM gained entry to the lucrative Macau gaming market in the early to mid-2000s, specifically the equal joint partnership it entered into with Pansy Ho.

The third issue pertains to the manner in which individual qualifier Vincent F. Barletta delegated the preparation of his application to co-qualifier Ronald J. Gillis Jr., resulting in the submission of inaccurate information to the Commission. In addition, this Report also sets forth

facts showing that Gillis, in his role as a Notary Public, notarized Barletta's signature on the Waiver of Liability form in the Massachusetts Supplement, even though Gillis himself had signed Barletta's name to that document. This issue is further addressed in the section of this Report relating to these two individual qualifiers.

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I. Introduction

On January 15, 2013, Blue Tarp reDevelopment LLC (“Blue Tarp”) submitted its application for a Category 1 gaming license for Region B. On May 14, 2013, Blue Tarp entered into the requisite Host Community Agreement with the City of Springfield. On July 16, 2013, an election was held in which the voters in the City of Springfield voted in favor of issuance of the Category 1 license to the Applicant.

Blue Tarp proposes to build and operate a casino gaming facility utilizing approximately 14.5 acres of land over a multi-block area in Springfield, MA. Blue Tarp’s planned casino project includes a 25-story hotel containing 250 rooms and 125,000 square feet of gaming space, as well as integrated residential, retail, dining and meeting space. The projected cost is estimated at \$800 million. Should Blue Tarp be found suitable for licensure, further details regarding its proposed facility will subsequently be submitted to the Commission during Phase II of the application process.

Blue Tarp is a Massachusetts limited liability company currently owned 99 percent by MGM Resorts International Inc. and 1 percent by Paul C. Picknelly. MGM Resorts International is publicly held, and the following non-institutional investors holding in excess of 5 percent of its stock were deemed qualifiers required to file by the IEB: (1) Tracinda Corporation, a privately held investment firm, is a Nevada corporation formed on June 23, 1976, that holds a 18.6 percent ownership interest in MGM Resorts International and (2) Dubai World, a Dubai, United Arab Emirates (“UAE”) government-owned entity, beneficially owns approximately 5.3 percent of the common stock of MGM Resorts International through Infinity World Holding Limited; Infinity World (Cayman) Holding; Infinity World (Cayman) LP, Infinity World Cayman Investments Corporation, and Infinity World Investments LLC, all directly or indirectly owned subsidiaries of Dubai World. Dubai World is not a passive investor; it occupies a seat on the MGM Resorts International Board of Directors, and in addition through ownership of other entities is an equal joint venture partner with MGM Resorts International in the ownership and development of the CityCenter project in Las Vegas, NV.

In addition, Rolling Hills Estates Realty Trust is a qualifier as it has a contractual agreement with Blue Tarp to annually receive a portion ([REDACTED])

██████████) of the annual EBITDA gaming revenue of Blue Tarp, a payment negotiated on March 9, 2012, to release MGM Resorts International from a January 10, 2012, Option Agreement it entered into with Rolling Hills Estates Realty Trust regarding the planned purchase of land for a casino site in Brimfield, MA. Rolling Hills Estates Realty Trust was formed by a January 27, 1995, Declaration of Trust by David Callahan and Vincent Barletta, and is currently for the equal benefit of Cal Rolling Hills LLC and Rolling Hills Development LLC. VFB Dynasty Trust, the vehicle through which Vincent F. Barletta holds his interest in Rolling Hills Development LLC, is also a qualifier. In addition to the 13 qualifying entities enumerated in the preceding paragraph, 36 individual qualifiers have applied for licensure; these individuals all filed the Multi-State Personal History Disclosure Form (“PHDF”) and the Massachusetts Supplement.

The 30 natural person qualifiers set forth in this Report, their respective positions and relationships with the qualifying entities, are:²

Blue Tarp Redevelopment LLC Qualifiers

Paul C. Picknelly, (Non-Voting Member and 1 percent owner of Blue Tarp ReDevelopment); (MGM Resorts International holds remaining 99 percent)

MGM Resorts International Qualifiers

1. James J. Murren (Chairman of the Board, CEO and Director; also Manager of Blue Tarp)
2. Corey I. Sanders (Chief Operating Officer; also Manager of Blue Tarp)
3. William J. Hornbuckle (President and Chief Marketing Officer; also President and Chief Operating Officer of Blue Tarp)
4. Daniel J. D’Arrigo (Executive Vice President, CFO and Treasurer; also Treasurer of Blue Tarp)
5. John M. McManus (Executive Vice President, General Counsel and Secretary; also Secretary of Blue Tarp)
6. Kenneth A. Rosevear (President of MGM Resorts Development LLC)

² The remaining six qualifiers are set forth in the Dubai Report, also dated November 27, 2013.

7. Robert H. Baldwin (Chief Design and Construction Officer; member of the MGM Resorts International Board of Directors)
8. William A. Bible (member of the MGM Resorts International Board of Directors)
9. Burton M. Cohen (member of the MGM Resorts International Board of Directors)
10. Willie D. Davis (member of the MGM Resorts International Board of Directors)
11. Alexis M. Herman (member of the MGM Resorts International Board of Directors)
12. Roland A. Hernandez (member of the MGM Resorts International Board of Directors)
13. Rose McKinney-James (member of the MGM Resorts International Board of Directors)
14. Robert C. Selwood (Executive Vice President and Chief Accounting Officer)
15. Thomas A. Peterman (Senior Vice President and Chief Compliance Officer)
16. Gregory M. Spierkel (member of the MGM Resorts International Board of Directors)
17. Larry A. Mefford (Senior Vice President of Global Security)

Tracinda Corporation Qualifiers

1. Kirk Kerkorian (owner of privately held Tracinda Corporation)
2. Anthony L. Mandekic (President, also member of the MGM Resorts International Board of Directors)
3. Daniel J. Taylor (senior executive, also member of the MGM Resorts International Board of Directors)

Dubai World/Infinity World Qualifiers³

³ On August 23, 2013, we filed a segment of overall investigative report addressing the suitability of the six entity and six natural persons who were deemed qualifiers by the Commission due to Dubai World's beneficial ownership of 5.3 percent of MGM Resorts International common stock. We incorporate that report segment as if fully set forth herein. In that report segment we raised no concerns over those respective entity and natural person qualifiers.

1. Andrew J. Watson (Managing Director of Dubai World)
2. Junaid M. Rahimullah (Chief Financial Officer of Dubai World)
3. Hamad M. Buamim (Infinity World Director)
4. Christopher J. O'Donnell (Infinity World Director and CEO)
5. William W. Grounds (Infinity World Director and also member of the MGM Resorts International Board of Directors)
6. Stephan A. DuCharme (Dubai World Compliance Officer)

Rolling Hills Estates Realty Trust Qualifiers (equally held by Cal Rolling Hills, LLC and Rolling Hills Development LLC)

1. Vincent F. Barletta (Rolling Hills Development LLC; his personal interest is held via VFB Dynasty Trust)
2. Timothy J. Barletta (Rolling Hills Development LLC)
3. Ronald J. Gillis Jr. (Rolling Hills Development LLC)
4. John G. Bulman (Rolling Hills Development LLC)
5. Charles M. Callahan, III (Cal Rolling Hills LLC)
6. David J. Callahan (Cal Rolling Hills LLC)
7. Janet M. Callahan (Cal Rolling Hills LLC)
8. Jon E. Callahan (Cal Rolling Hills LLC)
9. Julie A. Callahan (Cal Rolling Hills LLC)

The Investigators submitted separately the portion of the investigative Report addressing the suitability of the six entity and six natural persons qualifiers associated with Dubai World's beneficial ownership of 5.3 percent of MGM Resorts International common stock. The Dubai World segment of the Report is attached and incorporated fully herein. The investigation associated with that segment of the Report did not reveal any significant derogatory information relating to the Dubai World qualifiers.

II. Scope and Methodology

This suitability background license investigation was conducted by the Commission's Investigations and Enforcement Bureau ("IEB") in conjunction with the Massachusetts State Police. Spectrum was retained by the Commission to assist with the initial stages of this background investigation. Hereafter, the term "Investigators" will be used for this collaborative effort. The license Applicant, Blue Tarp redevelopment, LLC, and its affiliated entities were required to complete application forms, and certain designated individuals of the various entities were required to complete the Multi-Jurisdictional Personal History Disclosure Form ("PHDF"), as well as the Massachusetts Supplement. The Investigators conducted a thorough review of the application forms to determine completeness and verify accuracy of the information provided as of the application date. As part of the application process, both the corporate entities and the individual license applicants were required to sign release authorizations, which authorized the Commission and Investigators access to information not necessarily in the public domain.

The investigators reviewed the documents submitted in connection with the application process and then secured additional and updated information from the Applicant, its affiliated companies, and the individual qualifiers as needed throughout the investigation. The Investigators made a series of document and informational requests of the Applicant based upon issues that surfaced during our review. In all respects, the applicant company, the entity qualifiers and the individual qualifiers cooperated fully. Due to the scope and complexity of its business operations, MGM Resorts International was called upon to produce a substantial amount of material for review; it did so promptly in a cooperative and compliant fashion, providing additional, as well as updated, information upon request as the investigation progressed.

The Investigators conducted several site visits to MGM Resorts International's corporate office in Las Vegas, NV, MGM China Holding's corporate office in Macau as well as the MGM Macau casino and hotel, and Tracinda Corporation's corporate office in Beverly Hills, CA. In addition, interviews were undertaken with various MGM executives and employees. Members of the Compliance Committees and Compliance Departments at MGM Resorts International and MGM Macau were interviewed. Various due diligence investigative reports prepared by or on behalf of MGM were examined. The investigation also included interviews with all eight

Gaming Promoters at the MGM Macau. Sworn interviews were conducted with various MGM and Tracinda executives and senior managers. Financial reviews and interviews of qualifiers and other parties with relevant information were conducted as part of this investigation, and information was gathered from a variety of governmental and non-governmental sources. Investigators also conducted site visits to Mississippi (Beau Rivage Resort Casino in Biloxi and the Gold Strike Casino Resort in Tunica) and Detroit (MGM Grand Detroit Hotel & Casino).

As part of this investigation, various regulatory agencies verified MGM's license status in each of the gaming jurisdictions where MGM is licensed, and information concerning recent regulatory infractions and status was obtained. The Applicant, Blue Tarp, does not have any casino gaming regulatory history.

In conducting the license investigation, the Investigators evaluated the applications based upon general gaming standards typically used by gaming regulatory agencies and the specific standards set forth in the Massachusetts gaming statute. The universal standard for suitability includes an evaluation of the following criteria:

- 1) Good character, honesty and integrity
- 2) Financial stability, responsibility and integrity
- 3) Business experience

Notably, it is the affirmative obligation of all applicants to demonstrate their qualifications by clear and convincing evidence. In addition, the Massachusetts gaming statute requires a review of certain other specific matters, including reputation and business practices. See M.G.L. c. 23K, §§ 12(a)(1) and (3). Section 12(b)(ii) requires a demonstration of “responsible business practices in any jurisdiction.”

A significant aspect of the application and review process for the Applicant entailed a determination of the proper scope of licensing. The list of natural persons and entities required pursuant to Massachusetts law to submit applications and undergo background investigations to determine their suitability for participating in Massachusetts's nascent gaming industry was determined based upon the statute's specific terms pertaining to the individuals and entities required to be included as part of a gaming license application. This factual and legal issue was discussed at length with the Applicant. Thereafter, the IEB instructed the Applicant to ensure that

all of the named entities and natural persons included therein complied with their statutory obligations.

As a result of this review process, Janus Capital Management LLC, (holding 7.7 percent stock ownership in MGM Resorts International) and Paulson & Co. Inc. (also holding 7.7 percent stock ownership in MGM Resorts International) were granted waivers of qualification pursuant to M.G.L. c. 23K, § 14(c). These two entity shareholders hold stock as institutional investors and do not have Board representation.

The IEB established, consistent with the statutory terms, the following list of named entities which are required to submit to the qualification process:

- Blue Tarp redevelopment, LLC
- MGM Resorts International, Inc.
- Tracinda Corporation
- Dubai World
 - Infinity World Holding Ltd.
 - Infinity World (Cayman) Holding
 - Infinity World (Cayman) LP
 - Infinity World (Cayman) Investments Corp.
 - Infinity World Investments LLC
- Rolling Hills Estates Realty Trust
 - Cal Rolling Hills LLC
 - Rolling Hills Development LLC
 - VFB Dynasty Trust

The 30 natural person qualifiers set forth in this Report, along with their respective positions and relationships with the qualifying entities, are:

Blue Tarp reDevelopment LLC Qualifiers

1. Paul C. Picknelly (Non-Voting Member and 1 percent owner of Blue Tarp reDevelopment); (MGM Resorts International holds remaining 99 percent)

MGM Resorts International Qualifiers

1. James J. Murren (Chairman of the Board, CEO and Director; also Manager of Blue Tarp)
2. Corey I. Sanders (Chief Operating Officer; also Manager of Blue Tarp)
3. William J. Hornbuckle (President and Chief Marketing Officer; also President and Chief Operating Officer of Blue Tarp)
4. Daniel J. D'Arrigo (Executive Vice President, CFO and Treasurer; also Treasurer of Blue Tarp)
5. John M. McManus (Executive Vice President, General Counsel and Secretary; also Secretary of Blue Tarp)
6. Kenneth A. Rosevear (President of MGM Resorts Development LLC)
7. Robert H. Baldwin (Chief Design and Construction Officer; member of the MGM Resorts International Board of Directors)
8. William A. Bible (member of the MGM Resorts International Board of Directors)
9. Burton M. Cohen (member of the MGM Resorts International Board of Directors)
10. Willie D. Davis (member of the MGM Resorts International Board of Directors)
11. Alexis M. Herman (member of the MGM Resorts International Board of Directors)
12. Roland A. Hernandez (member of the MGM Resorts International Board of Directors)
13. Rose McKinney-James (member of the MGM Resorts International Board of Directors)
14. Robert C. Selwood (Executive Vice President and Chief Accounting Officer)
15. Thomas A. Peterman (Senior Vice President and Chief Compliance Officer)
16. Gregory M. Spierkel (member of the MGM Resorts International Board of Directors)
17. Larry A. Mefford (Senior Vice President of Global Security)

Tracinda Corporation Qualifiers

1. Kirk Kerkorian (owner of privately held Tracinda Corporation)
2. Anthony L. Mandekic (President, also member of the MGM Resorts International Board of Directors)
3. Daniel J. Taylor (senior executive, also member of the MGM Resorts International Board of Directors)

Dubai World/Infinity World Qualifiers

1. Andrew J. Watson (Managing Director of Dubai World)
2. Junaid M. Rahimullah (Chief Financial Officer of Dubai World)
3. Hamad M. Buamim (Infinity World Director)
4. Christopher J. O'Donnell (Infinity World Director and CEO)
5. William W. Grounds (Infinity World Director and also member of the MGM Resorts International Board of Directors)
6. Stephan A. DuCharme (Dubai World Compliance Officer)

Rolling Hills Estates Realty Trust Qualifiers (equally held by Cal Rolling Hills, LLC and Rolling Hills Development LLC)

1. Vincent F. Barletta (his [REDACTED] personal interest in Rolling Hills Development LLC, is held via VFB Dynasty Trust)
2. Timothy J. Barletta (holds a [REDACTED] interest in Rolling Hills Development LLC)
3. Ronald J. Gillis Jr. (holds a [REDACTED] interest in Rolling Hills Development LLC)
4. John G. Bulman (holds a [REDACTED] interest in Rolling Hills Development LLC)
5. Charles M. Callahan, III (holds a [REDACTED] interest in Cal Rolling Hills LLC)
6. David J. Callahan (holds a [REDACTED] interest in Cal Rolling Hills LLC)
7. Janet M. Callahan (holds a [REDACTED] interest in Cal Rolling Hills LLC)
8. Jon E. Callahan (holds a [REDACTED] interest in Cal Rolling Hills LLC)
9. Julie A. Callahan (holds an option to acquire [REDACTED] interest in Cal Rolling Hills LLC)

This resultant report represents an accumulation of data and information pertaining to the Applicant.

III. Corporate Applicant: Blue Tarp reDevelopment LLC

A. Corporate History

Blue Tarp reDevelopment LLC (“Blue Tarp”) is the corporate applicant for a Category 1 Region B gaming license. Blue Tarp is a Massachusetts limited liability company formed on February 23, 2012, and is currently owned 99 percent by MGM Resorts International Inc., and 1 percent by Paul C. Picknelly. Its current principal place of business is 3950 Las Vegas Boulevard South, Las Vegas, NV 89119. Current Officers of Blue Tarp are: William J. Hornbuckle, President and COO; Daniel J. D’Arrigo, Treasurer; John M. McManus, Secretary; and Andrew Hagopian III, Assistant Secretary.

Blue Tarp was initially formed for the purpose of acquiring property for a casino development by the following Members and with the identified equity interests: Paul C. Picknelly (██████████); Francis J. Cataldo Jr. (██████████); Thomas D. Murphy Jr. (██████████) and Heriberto Valentine Flores Jr. (██████████). As described in detail below, after Blue Tarp assembled a property portfolio, the site came to the attention of MGM Resorts International, which eventually acquired a controlling interest. (See Exhibit 3 for a summary of the real estate transactional history of the parcels constituting the Blue Tarp site.)

According to a June 10, 2013, interview with Picknelly, Blue Tarp had its informal origin in fall 2011, when the eventual initial members sought to assemble real estate parcels for a casino development in Springfield. To assist in this process, including marketing the site to gaming operators, gaming consultancy Union Gaming Group LLC of Las Vegas was retained. According to Picknelly, the interest of MGM Resorts International in the Springfield site occurred only after MGM Resorts International had first selected Brimfield as the location for its proposed Massachusetts casino operation. At that point Union Gaming approached MGM Resorts International to market the Springfield site. These marketing efforts culminated with a March 20, 2012, execution of a Letter of Intent between MGM Resorts International Global Gaming Development LLC and Blue Tarp for the purchase of ██████████ of the ownership interests in Blue Tarp. Included in the Letter of Intent, and memorialized in a subsequent Purchase Agreement, is a perpetual annual distribution payment collectively to Blue Tarp members (at that time Picknelly, Murphy, Cataldo and Flores) of ██████████ of the EBIDTA of the gaming facility, with a minimum of ██████████ per year and maximum of ██████████ per year. In

addition, three milestones required collective payment to Blue Tarp members by the MGM affiliate: (1) [REDACTED] upon acquisition of all parcels constituting the minimum site requirements; (2) [REDACTED] if and when Blue Tarp is licensed by the Commission and (3) [REDACTED] upon the opening of the gaming facility to the public.⁴

According to Picknelly, all of Blue Tarp's expenses were paid directly by Picknelly and Cataldo. Murphy did not contribute financially to the expenses of Blue Tarp but did contribute "in kind" by performing legal work associated with acquiring certain options in property and corporate work associated with the organization and administration of Blue Tarp. Flores was brought on by the other members to provide community/local support for the project.

Despite the financial rewards Murphy, Cataldo and Flores stood to gain by their ownership interests in Blue Tarp, through a series of divestitures described below, Picknelly became sole remaining member of Blue Tarp to partner with MGM Resorts International.

On April 25, 2012, Heriberto Valentine Flores Jr. resigned from Blue Tarp. According to the written resignation agreement, Flores received no identifiable compensation for his withdrawal. During a June 10, 2013, interview, Picknelly stated that while Flores advised him he was withdrawing due to an audit by Massachusetts Department of Revenue that may pose licensing concerns, Picknelly believed the real reason was that Flores withdrew so he could become involved in the competing Penn National proposal.

On May 20, 2012, the remaining members of Blue Tarp executed an Operating Agreement confirming Thomas D. Murphy Jr. as the Managing Member. The agreement memorialized the following contributions and membership interests: Paul C. Picknelly: [REDACTED] contribution, [REDACTED] membership interest; Francis J. Cataldo Jr.: [REDACTED] contribution, [REDACTED] membership interest; and Thomas D. Murphy Jr.: [REDACTED] contribution, [REDACTED] membership interest. Picknelly explained that the changes in ownership interests were based on capital contribution and included a redistribution of Flores' [REDACTED] ownership interest. This revision also factored in Murphy's lack of financial contributions to the project.

On May 25, 2012, Blue Tarp entered into a Purchase and Operating Agreement with MGM Brimfield in which MGM Brimfield acquired [REDACTED] ownership interest of Blue Tarp.

⁴ The Letter of Intent had these last two milestone combined for a payment of [REDACTED] only upon opening of the gaming facility. The subsequent Purchase Agreement modified the milestones as stated above.

The contingent consideration paid for the [REDACTED] membership interest, consistent with the March 20, 2012, Letter of Intent, was:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

On August 30, 2012, the Certificate of Organization of Blue Tarp reDevelopment LLC was amended its and the Managers were changed to James J. Murren (MGM Resorts International’s Chairman and Chief Executive Officer) and Corey I. Sanders (MGM’s Chief Operating Officer).

On November 19, 2012, Thomas Murphy sold his [REDACTED] ownership interest in Blue Tarp to Paul C. Picknelly for [REDACTED]. On November 19, 2012, Francis J. Cataldo Jr. sold his [REDACTED] ownership interest in Blue Tarp to Paul C. Picknelly for [REDACTED].⁵ At this time, MGM Brimfield LLC was the owner of a [REDACTED] interest in Blue Tarp, and did approve the transfers of ownership. The Investigators inquired into why Murphy and Cataldo would then relinquish ownership of an entity with a potential perpetual revenue stream. According to Picknelly, the price paid to Cataldo and Murphy reflected their financial and in-kind contributions to Blue Tarp, their ownership interests, as well as Picknelly’s assumption of all the risk associated with the reacquisition of Blue Tarp, its assets and all its liabilities should MGM fail to secure a gaming license.⁶ Picknelly relayed that Murphy and Cataldo were not willing to

⁵ Based on the ownership data of the various parcels that make up the Blue Tarp site, Cataldo’s name appears on the following parcels of land: 53-57 Bliss Street, 1357 East Columbus Ave., 69-71 Bliss St., NS Howard, 26 Howard St. He holds these properties through various real estate companies. Therefore, although he relinquished his ownership interest in Blue Tarp, he still has a vested interest in this project as he has negotiated options to sell these properties to MGM should the project move forward.

⁶ Financial details are set forth in the Financial Suitability section of the individual qualifier report on Paul C. Picknelly.

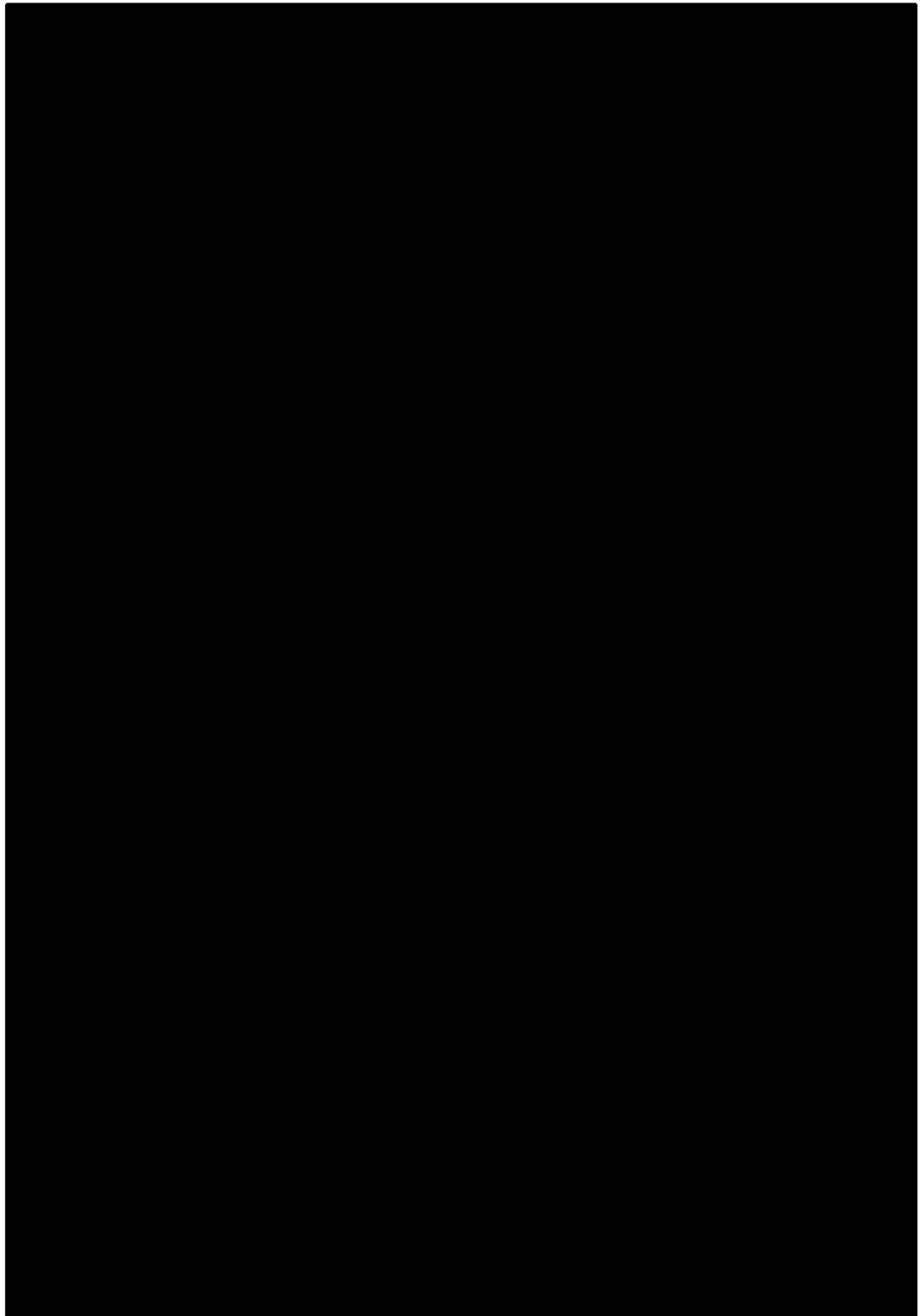
accept the terms as set forth in the (then pending) November 29, 2012, Amended and Restated Purchase and Operating Agreement which expanded the liability should the license not be awarded to Blue Tarp.

On November 29, 2012, Blue Tarp and MGM executed an Amended and Restated Purchase and Operating Agreement in which MGM Brimfield transferred its interest to MGM Resorts Tier 1 Sub B LLC.

On December 21, 2012, MGM Resorts Tier 1 Sub B LLC assigned its interests in Blue Tarp to MGM Resorts International; MGM Resorts International and Picknelly, then executed an Amended and Restated Limited Liability Company Agreement of Blue Tarp reDevelopment LLC. We are not aware of any subsequent modifications.

There is no record of bankruptcy for this entity. We examined the relevant formation and governing documents, including the certificate of organization and operating agreement, and are satisfied that the entity is controlled by the identified Board of Managers. A detailed review of the financial suitability of Blue Tarp and related entities, including financial stability, responsibility and integrity, is set forth in this Report.

A functional table of organization for Blue Tarp is as follows:



B. Site Selection

According to MGM Resorts International Executive Vice President, Chief Financial Officer and Treasurer Daniel D'Arrigo, the selection of the Springfield site over other locales is due to the site being located in the heart of downtown Springfield and amenable to urban revitalization. Additionally, MGM believes that a Springfield location has the potential for more revenue than the earlier selected Brimfield site. (See the Market Assessment/Revenue Projection Section of our financial suitability review of MGM Resorts International in this Report for further details.) MGM Resorts International provided polling data showing that there was significantly greater public support for a casino in Springfield, in addition to public support from the Mayor's office for a downtown Springfield location. Although initially MGM Resorts International selected Brimfield as a potential site, issues associated with the Brimfield location were quickly identified, including: feasibility of getting approval for and cost of a new exit ramp off I-90; the cost to develop infrastructure; presence of wetlands areas that required mitigation; initial polling of Brimfield residents suggested that greater public support would be required to win a referendum; re-zoning through a town meeting would be required. As a result of these issues and concerns, MGM Resorts International determined that a downtown Springfield site was likely to have a greater chance of success than Brimfield.

IV. MGM Resorts International

A. Introduction

MGM Resorts International controls 99 percent of the membership interest in the Blue Tarp reDevelopment LLC, having acquired that interest on August 30, 2012. MGM Resorts International is a Delaware Corporation formed on January 29, 1986, and is located at 3600 Las Vegas Boulevard South, Las Vegas, NV 89109. It was previously known as Grand Name Inc., from January 29, 1986 to January 22, 1987; MGM Grand Inc., from January 22, 1987 to August 1, 2000 and MGM Mirage from August 1, 2000 to June 15, 2010. Prior to 1999, the Company's primary business activity was the operation of the MGM Grand Las Vegas, a destination casino resort on the Las Vegas Strip now known as Bally's Las Vegas, presently owned by Caesars Entertainment. The Company has since grown rapidly through numerous acquisitions and development of major projects, including the CityCenter development on the Las Vegas Strip. (Please refer to the "Corporate History" section below for details of significant events in the Company's growth.)

MGM Resorts International is a publicly traded company (NYSE: MGM). Tracinda Corporation, a privately held investment firm, currently holds an 18.6 percent stock ownership interest in MGM Resorts International. Infinity World (Cayman) LP, a wholly owned subsidiary of Dubai World, a Dubai, United Arab Emirates government decree entity, holds a 5.3 percent stock ownership interest.

The officers of MGM Resorts International required to qualify in Massachusetts are James J. Murren (Chief Executive Officer); Corey Sanders (Chief Operating Officer); William Hornbuckle (President and CMO); Daniel J. D'Arrigo (Executive Vice President, CFO and Treasurer); John M. McManus (Executive Vice President, Secretary and General Counsel); Robert H. Baldwin (Chief Design and Construction Officer); Phyllis A. James (Executive Vice President, Special Counsel, and Chief Diversity Officer); Christopher Nordling (Executive Vice President of Operations); William M. Scott (Executive Vice President for Corporate Strategy and Special Counsel); Rick Arpin (Senior Vice President and Corporate Controller); James A. Freeman (Senior Vice President for Capital Markets and Strategy); Alan M. Feldman (Executive Vice President for Global Government and Industry Affairs); Shawn T. Sani (Senior Vice President Taxes); Robert C. Selwood (Executive Vice President and Chief Accounting Officer);

Larry Mefford (Senior Vice President-Global Security); and Thomas Peterman (Senior Vice President-Chief Compliance Officer).

MGM Resorts International's Board of Directors has ultimate responsibility for the oversight of the company's affairs. The 12 members of the Board of Directors are:

- James J. Murren (also Chairman and Chief Executive Officer)
- Robert H. Baldwin (also Chief Design & Construction Officer)
- William A. Bible (Outside Independent Director)
- Burton M. Cohen (Outside Independent Director)
- Willie D. Davis (Outside Independent Director)
- Alexis M. Herman (Outside Independent Director)
- Roland A. Hernandez (Outside and Lead Independent Director)
- Anthony L. Mandekic (also President, Tracinda Corporation)
- Daniel J. Taylor (Tracinda Corporation representative)
- Rose McKinney-James (Outside Independent Director)
- William W. Grounds (Infinity World representative)
- Gregory Spierkel (Outside Independent Director)

Kirk Kerkorian is Director Emeritus.

As stated in its public filings, MGM Resorts International's primary business is the ownership and operation of casino resorts. MGM Resorts International is the parent holding company of numerous subsidiary entities that collectively own, operate, and invest in casino resorts worldwide. MGM operates 15 wholly owned casino resorts in the United States. Its primary venue is in Las Vegas, NV, where its properties include Bellagio, MGM Grand Las Vegas, Mandalay Bay, The Mirage, Luxor, New York-New York, Excalibur, Monte Carlo and Circus Circus Las Vegas. It also operates casino resorts in Detroit, MI; Biloxi and Tunica, MS and in Reno, Jean and Henderson, NV. MGM Resorts International has a 50 percent ownership interests in the following:

1. Grand Victoria, a riverboat casino in Elgin, IL. The remaining 50 percent is owned by an affiliate of Hyatt Gaming which operates this property.

2. Silver Legacy, a casino located in Reno, NV. The remaining 50 percent is owned by Eldorado LLC.
3. Borgata, a hotel, casino and spa located on Renaissance Pointe in the Marina area of Atlantic City, NJ. The remaining 50 percent is owned by Boyd Gaming Corporation, which operates the resort. MGM's interest is held in trust and was offered for sale pursuant to its amended settlement agreement with the New Jersey Division of Gaming Enforcement and approved by the New Jersey Casino Control Commission. The terms of the amended settlement agreement previously mandated the sale by March 2014. MGM had the right to direct the sale through March 2013 (the "divestiture period"), subject to approval of the CCC, and the trustee was responsible for selling the trust property during the following 12-month period (the "terminal sale period"). On February 13, 2013, the settlement agreement was further amended to allow MGM to re-apply to the CCC for licensure in New Jersey and to defer expiration of these periods pending the outcome of the licensure process. If the CCC denies MGM's licensure request, then the divestiture period will immediately end, and the terminal sale period will immediately begin, which will result in MGM's Borgata interest being disposed of by the trustee pursuant to the terms of the settlement agreement.

A significant portion of MGM's business comes from its operations in China, specifically the MGM Macau resort and casino. Macau, a Special Administrative Region of the People's Republic of China, is the top grossing gaming jurisdiction in the world. Casino operators there, including MGM, rely heavily on premium customers brought in by Gaming Promoters to standalone VIP casino rooms within the casino resorts.⁷ This Gaming Promoter system operates pursuant to Macau's legal and regulatory scheme. According to the U.S. – China Economic and Security Review Commission's *2013 Annual Report to Congress*, issued on November 20, 2013

⁷ In its 2011 annual report, MGM Resorts International recognizes the importance of VIP rooms and junket operators to their profitability in Macau: "Revenues at MGM Macau are generated primarily from gaming operations made up of two distinct market segments: main floor and high-end ("VIP") ... A significant portion of our VIP volume is generated through the use of Gaming Promoters, also known as junket operators. These operators introduce high-end gaming players to MGM Macau, assist these customers with travel arrangements, and extend gaming credit to these players."

and referred to hereinafter as “USCC *Annual Report*,”⁸ government regulation there is “loose,” but U.S.-licensed casinos have implemented “strict safeguards” aimed at preventing criminal activity from occurring within their Macau casinos. (Internal citations omitted). A copy of Chapter 3, section 3 of the USCC *Annual Report* is attached as Exhibit 13.

The MGM Macau has shown increased profitability year after year since its opening in December 2007. MGM Macau’s 2012 revenues of \$2,807,676,000 represent approximately 30 percent of MGM Resorts International’s total net revenues, and MGM’s Macau business generates approximately 39 percent of adjusted EBITDA to total adjusted EBITDA. This audited financial data reflects that MGM China is a significant contributor to MGM Resorts International’s overall financial well-being.

(Further details of MGM’s operations are set forth in the sections below.)

B. Institutional Investors

There are two entity shareholders that each hold greater than 5 percent of MGM Resorts International stock. These are investment advisors registered with the Securities and Exchange Commission (“SEC”) under the Investment Advisors Act of 1940, and passively hold their interests in MGM Resorts International stock as institutional investors. Each was granted a waiver from the licensing process by the Commission pursuant to M.G.L. c. 23K, § 14(c). They are:

1. Janus Capital Management LLC, 151 Detroit Street, Denver, CO 80206 (holds 7.7 percent stock ownership) and
2. Paulson & Co. Inc., 1251 Avenue of the Americas, New York, NY 10020 (holds 7.7 percent stock ownership);

The investigation revealed no facts to suggest that any of these entities influenced or intend to influence the activities of MGM Resorts International or Blue Tarp. We are aware that AllianceBernstein LP, of 1345 Avenue of the Americas, New York, New York, was the holder of 7.6 percent of the stock of MGM Resorts International per the DEF 14A filed with the SEC on

⁸ According to a Note in the USCC *Annual Report*, the U.S. – China Commission functions as a policy advisor to Congress. It held a hearing on June 27, 2013 to collect information to enable it to assess the risk to U.S. national and economic security from a variety of perspectives. The Commission’s goal is to make recommendations to Congress for appropriate policy and legislative changes. The Commission does not act as an investigatory or regulatory body, and it did not find evidence of wrongdoing by any U.S.-based casino company either in Macau or Las Vegas.

April 16, 2013. AllianceBernstein LP subsequently filed a Schedule 13G/A, with the SEC on May 10, 2013, confirming that it has since reduced its holdings to 2.5 percent of MGM Resorts International stock.

C. Corporate History: Significant Acquisitions and Other Events

MGM Resorts International traces its history to Kirk Kerkorian, whose Tracinda Corporation currently holds 18.6 percent of its common stock. According to the University of Nevada Las Vegas Center for Gaming Research, in 1967, under the umbrella of his International Leisure Company, Kerkorian purchased the Flamingo casino hotel in Las Vegas and began the construction of the International casino hotel next to the Las Vegas Convention Center. The International opened in 1968 as the largest hotel in the world. In 1971 International Leisure Company was sold to Hilton, which changed the names of these properties to the Flamingo Hilton and the Las Vegas Hilton.

In 1973 Kerkorian opened the MGM Grand at Las Vegas and Flamingo Boulevards in Las Vegas, and the MGM Reno in 1978. Kerkorian had a controlling interest in the Metro-Goldwyn-Mayer film studio, and then spun off the two casino hotels from the film studio. The MGM Grand Las Vegas and the MGM Grand Reno were sold to Bally Manufacturing in 1986; Kerkorian retained the rights to the MGM Grand name.

After then purchasing the Desert Inn, Marina and Sands casino hotels in Las Vegas, Kerkorian constructed a new MGM Grand at the corner of Tropicana Avenue and Las Vegas Boulevard, opening in 1993 as the largest hotel in the world (5,005 rooms) with a theme park attached. The corporation was known as MGM Grand Inc. In 1995 MGM Grand Inc., purchased the Diamond Beach Hotel and Casino in Darwin, Australia, which it operated until selling the property in 2004.

In 1999, it opened the MGM Grand Detroit. Since 1999, the Company has experienced significant growth through strategic acquisitions, as well as by entry into the Macau gaming market. The following is a synopsis of significant events.

1. Acquisition of Primadonna Resorts Inc.

In March 1999, the Company, known then as MGM Grand Inc., acquired Primadonna Resorts Inc. as a wholly owned subsidiary. Through this acquisition, which had a total equity

value of \$315 million, the Company acquired Primadonna's 50 percent interest in the New York-New York Casino Hotel on Las Vegas Boulevard; the Company already held the other 50 percent interest. Included in this acquisition were three resorts located in Primm, NV, at the California/Nevada state line – Whiskey Pete's Hotel & Casino, Buffalo Bill's Resort & Casino, and Primm Valley Resort and Casino.

2. Acquisition of Mirage Resorts Inc.

On May 31, 2000, the Company completed the acquisition of Mirage Resorts Inc., whereby Mirage Resorts became a wholly owned subsidiary of MGM. The acquisition had a total equity value of approximately \$4.4 billion, with the Company assuming approximately \$2.0 billion of Mirage's outstanding debt. Through the Mirage acquisition, the Company obtained the following casino resort properties: Bellagio, The Mirage, Treasure Island ("TI"), Boardwalk Hotel and Casino, and a 50 percent interest in the Monte Carlo Resort & Casino, all of which are located on the Las Vegas Strip. In addition, the acquisition included the Golden Nugget Hotel and Casino in downtown Las Vegas and the Golden Nugget in Laughlin, NV, (both of which were sold in 2004) as well as the Beau Rivage casino in Biloxi, MS, and Mirage's 50 percent interest in the entity developing the Borgata Hotel, Casino and Spa in Atlantic City, New Jersey. This was a significant acquisition for the Company, as evidenced by the August 1, 2000 change of the corporate name to MGM Mirage.

3. Acquisition of Mandalay Resort Group

On April 25, 2005, the Company acquired Mandalay Resort Group, whereby Mandalay became a wholly owned subsidiary of the Company. The total merger consideration included equity value of approximately \$4.8 billion and the assumption or repayment of Mandalay debt of approximately \$2.8 billion. As part of this transaction, Mandalay Resort Group's interest in MotorCity Casino in Detroit, Michigan, was sold for \$520 million of net proceeds.

Through the acquisition of Mandalay Resort Group, the Company acquired the following casino resort properties: Mandalay Bay, Luxor Hotel and Casino, Excalibur Hotel and Casino, the remaining 50 percent interest in Monte Carlo Resort and Casino (MGM Mirage had been an equal joint venture partner with Mandalay Resort Group on the Monte Carlo project), and Circus Circus – Las Vegas, all of which are located on the Las Vegas Strip. In addition, the acquisition included: the Colorado Belle and the Edgewater hotel and casinos in Laughlin, NV; the Gold

Strike and Nevada Landing casinos in Jean, NV; Circus Circus-Reno in Reno, NV; Railroad Pass Hotel and Casino in Henderson, NV; Gold Strike Casino Resort in Tunica, MS; a 50 percent interest in Silver Legacy Resort and Casino in Reno, NV; a 50 percent interest in Grand Victoria casino in Elgin, IL and Slots-A-Fun on the Las Vegas Strip.

4. Development of CityCenter Project on Las Vegas Boulevard

In 2004, MGM announced plans to develop the CityCenter project, sited on approximately 68 acres between the Bellagio and Monte Carlo on Las Vegas Boulevard. Promoted by MGM as the most expensive private commercial development in US history, its budget was originally \$4 billion. Once the plan was finalized, the construction budget was approximately \$6.9 billion and increased to \$9.2 billion upon opening.⁹ Conceptually intended as a “city within a city” with 18 million square feet under one roof, it now includes one casino resort (Aria), condominiums, non-casino hotels such as Mandarin Oriental and Vdara, and an upscale shopping area known as Crystals. In August 2007, Dubai World became a 50 percent owner of CityCenter in return for an initial \$2.7 billion payment. As discussed in more detail in the Significant Litigation section of this report, the CityCenter Project has spawned several material lawsuits, including one (now settled) initiated by Dubai World against MGM alleging breach of contract and one involving MGM and the general contractor Perini Building Company over unpaid invoice and alleged construction defects which MGM claims has rendered the 26-story Harmon Hotel Tower portion of the project unsafe for occupancy.

5. MGM Macau

In the early 2000s, MGM was eager to enter Macau’s promising gaming market. MGM was one of 21 bidders for three casino concessions, but did not receive a concession award. Soon after, the Macau government made a number of sub-concessions available. MGM considered partnering with Stanley Ho, an existing casino magnate in Macau, but abandoned that plan after Nevada regulators raised concerns about Stanley Ho’s suitability. MGM eventually joined with Pansy Ho Chiu-king (“Pansy Ho”), Stanley Ho’s daughter, in an equal joint venture partnership and in April 2005, obtained a sub-concession from casino operator Stanley Ho’s (Sociedade de

⁹ In August 2010 MGM devalued its investment in CityCenter to \$2.69 billion.

Jogos de Macau SA (“SJM”)) in exchange for a one-time payment of \$200 million (USD). The resultant MGM Macau, a major casino resort in Macau, opened on December 18, 2007.

Pansy Ho’s status as equal joint venture partner changed on June 3, 2011, when MGM China Holdings, Ltd. went public on the Hong Kong Stock Exchange. In conjunction with the IPO, MGM Resorts International acquired an additional 1 percent of the overall capital stock of MGM China for HK\$15.34 per share, or approximately \$75 million, bringing its total equity interest to 51 percent, while Pansy Ho’s interest was reduced to 29 percent. The initial public offering of 760 million shares of MGM China Holdings, Limited, represented 20 percent of the post issuance base capital stock of MGM China, at an offer price of HK\$15.34 (US \$1.98) per share. Pansy Ho and MGM Resorts International CEO Jim Murren share duties as co-Chairs of the MGM China Holdings Board of Directors.

Issues relating to MGM’s decision to enter into a partnership with Pansy Ho are discussed later in this Report.

D. Significant Litigation

Due to the size and scope of MGM Resorts International’s operations, the Company, along with its subsidiaries and affiliates, is involved in a variety of litigation before federal and state courts. The majority are matters arising out of the ordinary course of business such as allegations of personal injury and/or property damage and contract disputes. Also included are administrative issues such as employment claims and grievances, wage and hour claims, workers compensation claims, and tax disputes. Such routine matters are voluminous in number, and as they do not impact suitability for licensure from either an integrity or financial standpoint, they have not been included in this report.

Research of available online civil records, judgments, liens, UCC Filings, and examination of records provided by the Applicant with its application and in response to our document requests have identified the following significant litigation:

- Perini Building Company v. MGM Mirage Design Group, et al. (Docket No. A-10-612676; Eighth Judicial District Court of Nevada, Clark County)

Perini Building Company Inc., the primary general contractor for the CityCenter development project, filed suit on March 24, 2010, against MGM Mirage Design Group and several CityCenter entities asserting that the Project was substantially completed but the

defendants wrongfully failed to pay Perini approximately \$490 million allegedly due and owing under the construction agreement for labor, equipment and materials expended on the Project. The complaint further charges the defendants with failure to provide timely and complete design documents, late delivery to Perini of design changes, mismanagement of the change order process, obstruction of Perini's ability to complete the Harmon Hotel & Spa component, and fraudulent inducement. The complaint advances claims for breach of contract, breach of implied covenant of good faith and fair dealing, tortious breach of the implied covenant of good faith and fair dealing, unjust enrichment and promissory estoppel, and fraud and intentional misrepresentation. Perini seeks compensatory damages, punitive damages, attorneys' fees and costs.

On or about April 29, 2010, Perini served an amended complaint which joins as defendants many owners of CityCenter residential condominium units, adds a count for closure of Perini's recorded master mechanic's lien against the CityCenter property in the amount of \$491,240,000, and asserts the priority of this mechanic's lien over the interests of the CityCenter Owners, the Condo Owner Defendants and the Project lenders in the CityCenter property. Many of the subcontractors who filed suit independently of Perini (for the same monies encompassed within the Perini master lien) were consolidated with the Perini case for discovery and trial purposes.

Defendants dispute Perini's allegations, and contend that defendants are entitled to substantial amounts from Perini, including offsets against amounts claimed to be owed to Perini and its subcontractors, and damages based on breach of their contractual and other duties to CityCenter, duplicative payment requests, non-conforming work, lack of proof of alleged work performance, defective work related to CityCenter's Harmon Hotel & Spa component, property damage, and Perini's failure to perform its obligations to pay Project subcontractors and to prevent the filing of liens against the Project. On May 14, 2010, defendants filed a counterclaim against Perini and its parent corporation Tutor Perini Corporation for breach of contract and other claims alleging Perini's subcontractors' grossly negligent work and supervision of work at the Harmon Hotel & Spa, resulting in substantial structural defects in the building that CityCenter believes are irreparable and require demolition of the building as the most cost-effective abatement remedy. CityCenter estimates that its Harmon Hotel & Spa damages exceed \$300 million. The Harmon Hotel and Spa is the centerpiece of this litigation, as the 26-story

building, constructed for \$275 million, has never been occupied since construction. MGM claims it is unsafe and non-repairable; Perini's position is that defects were due to faulty design but can be remedied at an approximate cost of \$21 million.

Parallel to the court litigation, CityCenter management conducted an extrajudicial program for settlement of subcontractor claims. CityCenter resolved the claims of 215 of the 222 first-tier Perini subcontractors (including the claims of any lower-tier subcontractors that might have had claims through those first-tier subcontractors) with only seven remaining for further proceedings along with trial of Perini's claims, and CityCenter's Harmon-related counterclaim. In August 2012 Perini recorded an amended notice of lien reducing its lien to approximately \$191 million.

Subsequent to June 30, 2013, CityCenter reached settlement with four additional subcontractors; three of the original 222 subcontractors remain in the case. Of the three remaining subcontractors, two are implicated in the defective work at the Harmon (Pacific Coast Steel and Ceco Concrete Construction, LLC). In August 2013, Perini recorded an amended notice of lien reducing its lien to approximately \$167 million. Trial of all remaining claims, including the Perini and remaining subcontractor lien claims against CityCenter, and CityCenter's counterclaims against Perini and certain subcontractors for defective work at the Harmon has been set to commence on April 28, 2014.

- **Infinity World Development Corp, a Nevada Corporation v. MGM Mirage, a Delaware Corporation, Mirage Resorts Incorporated, a Nevada Corporation, and Project CC LLC, a Nevada Limited Liability Company (Docket Number: 4438 The Court of Chancery of the State of Delaware)**

This action was filed on March 22, 2009, by Infinity World Development Corporation against its CityCenter joint venture partner MGM Resorts International (then MGM Mirage) seeking a judicial declaration that MGM had defaulted on its obligation in connection with a joint venture with Infinity World to design, construct, and operate the CityCenter development on the Las Vegas Strip in Las Vegas, NV (the "joint venture").

In its Form 10-K filed with the Securities and Exchange Commission on or about March 17, 2009, MGM admitted substantial doubt it would be able to continue as a going concern. MGM also admitted uncertainty it would be able to meet its 2009 financial commitments, which included significant capital contribution obligations to the Joint Venture under the agreement. In

addition, MGM admitted it did not believe it would be in compliance with financial covenants with the lenders for its senior credit facility by March 31, 2009, and further admitted that it had to seek a waiver of its breach of those financial covenants and that the waiver would expire on May 15, 2009. Infinity World Development Corporation asserted that MGM's aforesaid statements met the joint venture agreement's definition of Events of Default, specifically: (1) a written admission by MGM of its inability to pay its debts as they mature; (2) MGM's material breach of a representation and warranty and (3) a breach by MGM of any of its obligations under the Joint Venture Agreement. A default in any one of these areas would be an Event of Default that would relieve Infinity World of its obligations, and Infinity World Development Corporation claimed MGM had defaulted in all three. The Plaintiff sought an Order declaring that it is excused from all future performance under the Joint Venture Agreement as a result of MGM's breaches; damages according to proof; attorneys' fees and costs, as well as such other relief as the case may require, or which the Court deems just and appropriate.

The matter was quickly settled and dismissed with prejudice. On April 29, 2009, MGM and Infinity World Development Corporation reached an agreement on a revised Joint Venture Agreement and also reached an agreement with CityCenter's lenders on a comprehensive plan to fully fund the completion of CityCenter.

Two securities class actions and four derivative actions which assert substantially the same allegations are pending against the MGM Mirage and various former or current directors and officers in federal and state court in Nevada.

- In Re: MGM Mirage Securities Litigation (Plaintiffs: Robert Lowinger, Khachatur Hovhannisyanyan, Mario Gurrero, Regina Shamberger; Defendant: MGM Mirage, et al; Case Numbers: 2:09-cv-01558, 2:09-cv-02011, 2:09-cv-01815, 2:09-cv-01817 United States District Court for the District of Nevada)

Plaintiffs alleged that between August 2, 2007, and March 5, 2009, defendants artificially inflated the price of the MGM Mirage's common stock by knowingly making materially false and misleading statements and omissions to the investing public about the financial condition, financial performance, debt capacity, growth, operations, financial statements, markets, earnings, present and future business prospects, CityCenter and other MGM Mirage development projects, and the intrinsic value of the common stock of MGM Mirage; thereby enabled the individual defendants and other MGM Mirage insiders to sell nearly \$91 million of common stock to the public and caused plaintiffs and other shareholders to purchase MGM Mirage common stock at

artificially inflated prices, all in violation of the federal securities laws, specifically, Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. Plaintiffs sought on behalf of themselves and putative class member's unspecified compensatory damages, attorney's fees and costs, as well as all other relief deemed appropriate by the court.

On May 30, 2012, Defendants filed a Joint Motion to Dismiss Plaintiffs' First Amended Complaint for Failure to State a Claim Pursuant to Rule 8, 9(b) and 12(b)(6) on the grounds that the First Amended Complaint ("FAC") fails to meet the heightened pleading standards mandated by the Private Securities Litigation Reform Act. Defendants argued specifically: 1) the FAC fails adequately to allege with particularity a false or misleading statement attributable to defendants; 2) the FAC fails adequately to allege scienter with particularity and 3) the FAC fails to adequately allege loss causation. The motion is pending

- In Re MGM Mirage Securities Litigation (Plaintiffs: Sanjay Israni and Charles Kim Defendant: MGM Mirage, et al; Case Numbers: A-10-619411 and A-09-599937 Eighth Judicial District Court of Nevada, Clark County)

Plaintiffs alleged that between August 2, 2007, and the September 2009 dates of filing of the Complaint, defendants artificially inflated the price of the MGM Mirage's common stock by knowingly making materially false and misleading statements and omissions to the investing public about the financial condition, financial performance, debt capacity, growth, operations, financial statements, markets, earnings, present and future business prospects. CityCenter and other MGM Mirage development projects, and the intrinsic value of the common stock of MGM Mirage; thereby enabled the individual defendants and other MGM Mirage insiders to trade on their personally held common stock at inflated prices which caused plaintiffs and other shareholders to purchase MGM Mirage common stock at artificially inflated prices and that defendants imprudently implemented share repurchase programs to the detriment of MGM Mirage. The complaint asserted causes of action for breach of fiduciary duty by, among other things, defendants' asserted inside selling and misappropriation of information; abuse of control; gross mismanagement; waste of corporate assets; unjust enrichment and contribution and indemnification. Plaintiffs sought unspecified compensatory damages; restitution and disgorgement of asserted profits by defendants; injunctive relief imposing a constructive trust to restrict defendants' use of their trading proceeds to ensure an effective remedy; attorneys' fees and costs and such other relief deemed appropriate by the court.

On April 25, 2011, all defendants filed motions to dismiss the Israni and Kim derivative cases. After hearing on the motion in June 2011, the court on July 6, 2011, issued a decision granting defendants' motion to dismiss. On May 11, 2012, the court entered an Order Dismissing the Consolidated Amended Complaint With Prejudice.

On June 14, 2012, plaintiffs filed a Notice of Appeal of the district court ruling to the Nevada Supreme Court. The appeal is pending.

- **MGM Grand Towers matter**

The MGM Grand Towers LLC, a limited liability company in which MGM Grand Condominiums LLC is a 50 percent member along with 50 percent member Turnberry Development, developed and sold residential condominiums at the Signature Towers development in Las Vegas, NV. In a series of 10 related lawsuits, plaintiff purchasers of Signature Towers Condominiums allege that they were fraudulently induced into purchasing the units as investment securities rather than real estate, which securities defendants did not register, in violation of federal and state securities statutes among other claims. One matter is captioned:

- **Turnberry Signature Condominium Litigation** (Plaintiffs: KJH & RDA Investor Group LLC, et al., Mary Ann Sussex, et al., Ross Berkeley, et al., Jerry Brown, et al., David Shim, et al., Michael Linares, et al., Belinda Louie, et al., and Ike Sherman, et al; Case Numbers: A547024, A557730, A565873, A569825, A573280, A574558, A577034, and A581851; Eighth Judicial District Court of Nevada, Clark County)

Other cases alleging similar conduct have been filed in the United States District Court for the District of Nevada. The claims in all of these cases are similar, and include some variation of alleged violations of Nevada Revised Statutes ("NRS") 90.460 (unlawful sale of unregistered security); violation of NRS 90.570 (unlawful sale of unregistered security by means of a scheme to defraud); fraudulent misrepresentation; negligent misrepresentation; fraud in the inducement; fraudulent concealment; violation of NRS 41.600 (consumer fraud) and violation of NRS 598 (Nevada Deceptive Trade Practice Act), among other claims.

Defendant claims that all of the condominiums sales to the plaintiffs were completed under a uniform real estate purchase and sale agreement, which contains an arbitration provision that requires the parties to submit any dispute between them to binding arbitration. Further, by way of cross-claim MGM Resorts International contends that the MGM Resorts entities are

entitled to indemnification from Turnberry Development in the event MGM is found liable in these cases.

In November 2009 all of the cases in the Eighth Judicial District Court were consolidated for arbitration. The Abraham case filed in federal court was referred in 2012 for binding arbitration. As of May 23, 2013, the matters are still pending arbitration, as procedural issues are in dispute.

- **Taylor et al. v. MGM Resorts International et al** (Docket No.: 2:11-cv-01360 US District Court, District of Nevada); Interested Party: Southern Nevada Health District)

This action was filed on August 8, 2011, by multiple plaintiffs alleging exposure to Legionnaires disease at the Aria Resort and Casino in CityCenter during respective visits there in 2011. The Complaint alleges breach of contract, loss of consortium and negligence under a variety of legal theories from *res ipsa loquitur* to reckless conduct justifying punitive damages. Discovery is ongoing, due to be completed by November 4, 2013. A Joint Pre-Trial order is due January 3, 2014. This is one of four Legionella cases pending involving the Aria Resort and Casino in the CityCenter development.

E. Criminal History

The investigation confirmed that the corporate entities have no criminal record that would subject them to regulatory disqualification.

F. Political Contributions

The investigation confirmed that the corporate entities have not made any prohibitive contributions in Massachusetts that would violate M.G.L. c. 23K, § 46 or 205 CMR 108.00.

G. Media Coverage

As expected, our research of available online and print media sources revealed substantial media coverage of MGM Resorts International and its affiliates. Derogatory or adverse items were noted. A representative sample follows:

- *The Press of Atlantic City* – February 11, 2013: In a dramatic reversal, MGM Resorts International has filed papers asking New Jersey regulators to reconsider a decision that has forced the company to sell off its 50 percent interest in Borgata

Hotel Casino & Spa. In 2010, MGM agreed to sell its share of Borgata, after the Division of Gaming Enforcement objected to the company's partnership in a Macau casino with Pansy Ho, who father had alleged ties to Chinese organized crime. MGM wants its casino license reinstated and is seeking permission to keep its ownership stake in Borgata.

- *Las Vegas Review-Journal* – November 18, 2012: Norbert Teufelberger, Co-CEO of Bwin.party Digital Entertainment, “complied voluntarily with a request to attend an interview with representatives from the Belgium Gambling Commission.” Belgium gaming regulators have a blacklist of operators without a Belgian license. Bwin.party is on the list. A year ago, Bwin.party signed agreements with MGM Resorts International and Boyd Gaming Corp. to jointly own an online business that offers poker to US customers under the companies’ various brands. With federal online poker legalization up in the air, Bwin.party, MGM Resorts and Boyd plan to launch in Nevada under the state’s interactive gaming regulations. Boyd and MGM Resorts have been licensed. Bwin.party’s application is still pending and may not be reviewed by the Gaming Control Board until spring. Bwin.party was created in March 2011 when Bwin Interactive Entertainment and PartyGaming PLC merged. PartyGaming operated online poker in the US before the Unlawful Internet Gaming Enforcement Act became law on Sept. 29, 2006. That day, PartyGaming ceased its American operations. Three years later, PartyGaming settled with the US Department of Justice, paid a \$105 million fine and was cleared from ever being prosecuted for its pre-act online gaming business.
- *Las Vegas Review-Journal* – October 14, 2012: Opening the market to casino operators such as Las Vegas Sands Corp., Wynn Resorts Ltd. and MGM Resorts International helped legitimize Macau, which is now the world’s most lucrative gaming destination, but the move came at a cost... Nevada casino companies work with Asian junket operators who bring high-end customers to the Macau casinos. The concern has been that junket operators have nefarious ties, potentially to triads.
- *Las Vegas Review-Journal* – September 5, 2012: CasinoLeaks-Macau.com, the website sponsored by a Las Vegas union that promised to release information on organized crime in Macau’s gaming industry, has shut down. The union had posted “600 pages of supporting documents to highlight what it alleged were ties between VIP room operators linked to organized crime and widely known casino brands, including Las Vegas Sands Corp. Las Vegas Sands, MGM Resorts International and Wynn Resorts Ltd. all operate casinos in Macau.
- *Las Vegas Review-Journal* – March 9, 2012: International Union of Operating Engineers is calling on Nevada gaming regulators to investigate the increasingly profitable business relationship between Las Vegas-based casino companies and junket operators in Macau by launching a website called CasinoLeaks-Macau.com and posting pages of documents alleging possible ties between VIP room operators linked to Chinese organized crime. MGM Resorts International, which operates MGM Grand Macau, dismissed the allegations.

- *Las Vegas Review-Journal* – September 10, 2011: US government officials admitted privately in October 2008 that Chinese organized crime was influencing certain aspects of Macau’s casino industry, with nearly 600 private conversations between the US Consulate in Hong Kong and the State Department, going as far back as 2006. Three major Nevada companies, Las Vegas Sands Corp., Wynn Resorts Ltd., and MGM Resorts International, operate casinos in Macau. Current and former executives of the casino companies were cited or quoted in the documents. None of the American casino operators was alleged to be tied to organized crime.
- The Associated Press State & Local Wire – July 22, 2011: New Jersey casino workers approved an additional 18 months for MGM Resorts International to sell its half of the Borgata Hotel Casino & Spa. On March 12, 2010, MGM decided that its business dealings with Pansy Ho outweighed the value of staying in New Jersey, and reached an agreement with the gaming enforcement division to sell its half interest in the Borgata.
- *The Columbus Dispatch* – August 31, 2010: Nevada gambling regulators are investigating MGM Resorts International to see if they violated laws prohibiting underage drinking and gambling after Michael Jordan’s son bragged on Twitter about partying at a nightclub at Haze located at MGM Resorts Aria Resort & Casino.

Note: Derogatory media research pertaining to MGM Resorts International was limited to media published within the past five years.

H. Compliance History

As noted, MGM Resorts International is the parent holding company of numerous subsidiary entities that collectively own, operate, and invest in casino resorts worldwide. It operates 15 wholly owned casino resorts in the United States. Its primary venue is in Las Vegas, NV, where its properties include Bellagio, MGM Grand Las Vegas, Mandalay Bay, The Mirage, Luxor, New York-New York, Excalibur, Monte Carlo and Circus Circus Las Vegas. It also operates casino resorts in Detroit, Michigan; Biloxi and Tunica, in Mississippi; in Reno, Jean and Henderson, in Nevada and has interests in other domestic casinos. During this suitability review, Investigators visited with gaming regulators in Nevada, Mississippi, and Michigan, all to explore the gaming regulatory compliance of MGM Resorts International in those respective jurisdictions primarily for the last seven years. While the vast majority of regulatory violations are somewhat routine, there are several matters of more consequence. Immediately below is a synopsis of a compliance violation that occurred ten years ago involving the failure to file mandated anti-money-laundering currency transaction reports. Although slightly dated, this

compliance failure led to the imposition of the largest fine ever imposed by the Nevada Gaming Commission. The compliance overview then continues with an examination of MGM Resorts International's compliance performance in the primary jurisdictions (domestic and foreign) where it operates.

1. Failure to File Currency Transaction Reports for 84-Week Period

For an 84 week period from May 2001 to early 2003, the Mirage Casino hotel in Las Vegas, at the time one of the premium assets of MGM Resorts International (then known as MGM Mirage) failed to file 14,903 Currency Transaction Reports.¹⁰

In December 2002, the Nevada Gaming Control Board advised the Mirage it was preparing to conduct a routine Currency Transaction Reporting compliance audit. In preparation for this regulatory audit, the Mirage discovered the lapse, and self-reported its failure to file. Regulatory and criminal investigations then commenced, lasting seven weeks, and included interviews of 20 Mirage executives, including the CEO and the President. The inquiries revealed that the Mirage employee responsible for filing the completed Currency Transaction Reports with Nevada fell behind in his work and stopped filing the Reports. Of significant concern was the finding that the Company's internal audit department "failed" as while it had conducted six quarterly Regulation 6A audits ("6A" refers to the Nevada regulations concerning mandated anti-money-laundering reporting requirements) during that timeframe, the audits disclosed no issues. The employee told investigators he "fell behind" due to staff turnover, supervisory indifference and a claim that the importance of the filings had never been explained to him. The investigation further revealed the employee and his staff received superlative performance evaluations during the relevant time period. The employee was criminally prosecuted by the State of Nevada for non-compliance with the filing requirement, eventually pleading guilty to failing to maintain records and report currency transactions. The Nevada Gaming Control Board filed a 92-count regulatory complaint against the Mirage. The Mirage agreed to pay the Nevada Gaming Commission a \$3,000,000 fine (the largest ever imposed by the Nevada Gaming Commission), along with an additional \$2,000,000 to reimburse investigation expenses, and also instituted

¹⁰ Currency Transaction Reports known as CTR-Ns, or "Currency Transaction Report, Nevada," were filed directly with the State of Nevada rather than with the federal government. Under Nevada Gaming Control Board Regulation 6A, they mirror the requirement of the federal CTR, which requires disclosure of cash transactions exceeding an aggregate of \$10,000 in one gaming day.

corrective internal control measures as full settlement of the complaint. The settlement included a statement that there was no finding of any intent by the Mirage to intentionally circumvent the requirement of accurately reporting currency transactions. This matter received extensive and negative media coverage, including an article by the *Las Vegas Review-Journal* on December 17, 2003, which reported a “breakdown in management ... several executives were aware of the violations throughout the 18 month time period ... a good organization was being extremely sloppy and unprofessional in its accounting practices.”

2. Nevada Regulatory Compliance

Included in MGM Resorts International’s properties in Nevada are Aria, Bellagio, Circus Circus (Las Vegas and Reno), Excalibur, Gold Strike, Luxor, Mandalay Bay, MGM Grand, Monte Carlo, New York-New York, Railroad Pass, and The Mirage.

Since January 1, 2007, the Nevada Gaming Control Board (“NGCB”) has issued 17 regulatory violation notices to the 13 properties operated by MGM (11 Notices of Apparent Violations, and 6 Orders to Show Cause). Under the NGCB system, the purpose of a Notice of Apparent Violation is to bring an issue to the attention of the property so as to facilitate corrective action. An Order to Show Cause may be issued initially as the first notice to the licensee if it is determined that corrective action has not been accomplished. The purpose of an Order to Show Cause is to aid the NGCB in deciding whether to seek a fine or some type of limitation, condition, suspension or revocation of a license. If the licensee’s response to the Order to Show Cause is reasonable and accepted by the NGCB, generally no further action is taken.

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c. Citation Fines

July 2011 – Excalibur Hotel & Casino was inspected by the United States Occupational Safety and Health Administration, resulting in Citations being issued. The citations were disputed and a settlement was reached resulting in Excalibur paying a \$14,990 fine.

March 2010 – Circus Circus, Reno paid an Administration Citation fine of \$2,000 to the City of Reno, in June 2010 for two incidents of alcohol being served to a minor.

May 2010 – MGM Grand Las Vegas received a Citation from the State Health Administration alleging that maintenance technicians/electricians were exposed to electrical hazards while working on energized circuits without established safety procedures. Licensee paid a fine of \$4,000.

September 2009 – MGM Grand Las Vegas received a wall-to-wall inspection from OSHA after a subcontractor’s employee died from a fall in the Hollywood Theater. Two citations were issued, which were disputed. A settlement was reached whereas MGM paid a fine of \$52,720 for the Hollywood Theater Citation and \$19,800 for the wall-to-wall inspection Citation.

3. Mississippi Regulatory Compliance

Under the jurisdiction of the Mississippi Gaming Commission, MGM Resorts International operates the Beau Rivage Resort in Biloxi and the Gold Strike Casino Resort in Tunica.

Since January 1, 2007, the Mississippi Gaming Commission issued 25 Notice of Violation letters (several related to the same concern/individual) to Gold Strike Casino Resort, Tunica. The violations included: (1) surveillance inspection found several time/date synchronization issues; (2) recorded coverage of a poker table did not provide clear identification of card values; (3) table games dealer transfer paperwork was not submitted to MGC within 10 days; (4) slot bank main door unsecured; (5) employment applicant allowed to work without work permit; table inventory slip not signed by dealer attesting to its accuracy and (6) failure to maintain slot machine in a suitable working condition and failure to submit rules for the re-occurring SureFire RapidFire QuickFire promotion. Corrective action was taken to resolve the violation issues and fix physical deficiencies. Employee re-training was initiated and procedure manuals reviewed for possible revision. Some violations were disputed and resolved; none of the Notice of Violations resulted in disciplinary action by the Mississippi Gaming Commission.

The Mississippi Gaming Commission issued 15 Notice of Violation letters to the Beau Rivage Resort, Biloxi. The violations included: (1) photos of Atlanta Hawks Cheerleaders taken at the Resort for a calendar were of a “risqué nature,” violating the Mississippi Gaming Commission’s regulations; (2) minor allowed to enter casino floor using false ID; (3) failure to follow key control procedures; (4) failure to maintain updated slot inventory log and access list; (5) and failure to report a quarterly junket representative report for a junket representative in the fourth quarter of 2010. Actions taken by the property to resolve the violation concerns and improve procedures were: employee re-training, review and revision of procedures manuals, and disciplinary action against employees where appropriate. None of the Notices of Violation issues resulted in disciplinary action by the Mississippi Gaming Commission.

4. Michigan Regulatory Compliance

Under the jurisdiction of the Michigan Gaming Control Board (“MGCB”), MGM Resorts International operates the MGM Grand Detroit Casino/Hotel.

Since January 1, 2007, The Michigan Gaming Control Board issued 20 Notice of Potential Violation letters to MGM Grand Detroit. The violations included: (1) purchasing a truck without first getting three separate bids; (2) possible embezzlement scheme between a vendor and a former casino host; (3) potential weaknesses in Purchasing Department procedures; (4) minor in casino; (5) unapproved EPROMs in slot machines; (6) unapproved software in slot

machines; (7) slot mechanic not licensed by MGCB and (8) obtaining services from a car dealership that did not have a supplier license. These and similar issues were handled and resolved without further action.

The following notices resulted in penalties/fines:

June 2012 – MGM Grand Detroit was issued a Citation from the State Department of Licensing and Regulatory Affairs resulting from inspectors finding that not all employees staffed in the kitchen areas wore their protective gear as required by MGM and the Michigan Occupational Safety and Health Act. A penalty of \$5,000 was imposed; however both parties settled on a reduced fee of \$2,500.

November 2011 – MGCB was telephonically notified that MGM Resorts International Board of Directors member Terry Christensen had been indicted. Written notification was not provided. MGCB Administrative Rules place MGM under a continuing duty to promptly disclose in writing any material change in circumstances reasonably related to its eligibility, qualifications, and suitability. MGM paid a penalty of \$150,000 with an additional \$75,000 held in abeyance for a period of one year. The additional \$75,000 was eventually waived. We note this was the only sanction imposed on MGM Resorts International by MGCB regarding the Terry Christensen matter.

January 2011 – MGCB determined that MGM Grand Detroit had mailed promotional materials to three individuals on the Disassociated Persons List, which is a list of customers who place themselves on a voluntary exclusion list. On December 31, 2011, the MGCB fined MGM Grand Detroit \$25,000 for these violations.

February 2009 – MGCB discovered unapproved EPROM communication chips in a slot technical department storage cabinet. It was subsequently determined similarly unapproved EPROM communication chips were in use on the casino floor. The violations were closed on April 15, 2010, with the imposition of a \$50,000 fine.

April 2008 – An employee of Shuffle Master was found to be working on a table game progressive controller for Progressive Pai Gow Poker. The employee of Shuffle Master did not hold an MGCB issued occupational license. A fine of \$30,000 was imposed; \$15,000 was paid and \$15,000 was held in abeyance and waived due to no further violations.

April 2006 – A Letter of Accommodation was issued by the MGCB ordering that any contractor/supplier who was to provide services or materials for the construction of the MGM Grand Detroit, would obtain a supplier’s license or other approval from the MGCB within 45 days. In the time prior to the applicant obtaining a temporary supplier’s license, only 10 percent of the contract price was to be paid. MGM Grand Detroit misinterpreted the requirement and mistakenly paid a supplier in excess of 10 percent. A \$100,000 fine was imposed, and paid.

5. Macau Regulatory Compliance

Through MGM Grand Paradise Limited, MGM Resorts International’s publicly traded affiliate, MGM China Holdings, operates the MGM Macau casino hotel in Macau, a Special Administrative Region, People’s Republic of China. The property is regulated by the Macau Gaming Inspection and Coordination Bureau (“DICJ”).

Our inquiry with DICJ, and with senior executives at the MGM Macau, reveals that the DICJ has not issued any violation notices or taken any type of enforcement actions against the MGM Macau since the property’s opening on December 18, 2007.

I. Compliance Plan and Compliance Committee – MGM Resorts International

1. Overview of the Plan and Committee

MGM Resorts International has in place a Compliance Plan (the “Plan”), as well as a Compliance Officer and a Compliance Committee.¹¹ The Plan, most recently updated in November 2013, extends to all non-publicly held affiliates of the Company, including the proposed gaming operation in Springfield, MA. The Plan does not extend to the MGM Macau operation. However, the Nevada Gaming Control Board conditioned its approval of a previous version of the Plan on the requirement that so long as MGM Resorts controls MGM China Holdings, it will cause MGM Macau to maintain its Compliance Committee and voluntarily provide copies of its quarterly reports to the MGM Compliance Committee. MGM Macau has its own Compliance Plan, discussed in section V.E below.

¹¹ Similar to other casino operators in that jurisdiction, MGM Resorts International is required by the Nevada Gaming Control Board to maintain a Compliance Plan and a Compliance Committee pursuant to a provision of its Revised Order of Registration. All modifications must be approved by the Nevada Gaming Control Board.

According to the MGM Resorts International Compliance Plan, the Plan and the Compliance Committee are created for the purposes of: (a) ensuring compliance with gaming laws applicable to the business operations of the Company in all jurisdictions in which the Company operates; (b) performing probity review background investigations with respect to employees, directors, vendors and others providing services to the Company; and (c) performing probity review background investigations with respect to proposed transactions and associations. The Plan states that the Compliance Committee will exercise its best efforts to identify and evaluate situations arising in the course of the business of the Company that may have a negative effect upon the objectives of gaming control. The Plan explains that generally a situation adversely affects the objectives of gaming control if it has an adverse effect on the public faith in the ability of any appropriate gaming regulatory system to ensure that licensed gaming is conducted honestly and competitively, and that gaming is free from criminal and corruptive elements. The Plan provides that it is the strict policy of the company and its affiliates to conduct their business with honesty and integrity, and in accordance with high moral, legal and ethical standards. The Plan comprises 15 pages.

MGM's compliance process has evolved, chiefly in response to weaknesses identified in practice. Before 2007, the Compliance Committee was comprised of MGM executives and a single independent member; the Company's General Counsel was a Committee member while also being charged with development responsibilities. In 2007, after the formation of the MGM Resorts International/Pansy Ho joint venture, the Plan underwent substantial revisions, chief among them a transformation of the Compliance Committee to a completely independent body consisting only of three outside members. The 2007 revisions substantially limited the ability of MGM to proceed with a proposed material relationship or transaction if the Corporate Security Department or the Compliance Officer either objected or indicated caution and the need for more information in pursuing such relationship or transaction. In such cases, the unanimous approval of the Committee is now required. If unanimous approval is not obtained, then approval of MGM's Board of Directors is required. Following the Terry Christensen matter, the Plan was again revised to include the insertion of a defined reporting and review process addressing association with individuals charged with felonies, both post-indictment and post-conviction. MGM considers the Plan to be an evolving document that is subject to review and revision as deemed necessary.

In response to our initial request for its current Compliance Plan, MGM Resorts International provided the latest revision of the Plan, dated December 2012. As this Report was being finalized, MGM adopted an updated version, which was adopted on November 21, 2013. The Plan recites that it has established a Compliance Committee to oversee procedures to enhance the likelihood that no activities of the Company or any Affiliate would impugn the reputation and integrity of the Company, any of the specific jurisdictions in which the Company maintains gaming operations or the gaming industry in general.

To accomplish the goals of the plan, a Compliance Officer is selected by the Compliance Committee, a position currently occupied by Thomas A. Peterman, who holds the title of Senior Vice President and Chief Compliance Officer. Peterman is a natural person qualifier in this application. Responsibility for day-to-day administration of the Plan rests with the Compliance Officer. According to the Plan, the Compliance Committee is to be comprised of no fewer than three individuals independent of the Company, who, by virtue of their familiarity with law enforcement, regulated businesses, ethics, or gaming compliance, are sensitive to the concerns of gaming authorities and capable of determining the existence or likelihood of an unsuitable situation. One of the three members must be a person who is knowledgeable about the Nevada gaming regulatory process; alternatively, independent legal counsel may be retained. Members serve terms no longer than three years, and successive terms are permitted. The Chair is rotated annually. The Plan requires that the Audit Committee shall select one of its members to serve as an ex officio member of the Compliance Committee. Currently, the Compliance Committee members are:

1. William Urga, an attorney licensed in Nevada with experience in the Nevada gaming regulatory process;¹²
2. Ellen Knowlton, a retired Special Agent in Charge of the Las Vegas office of the Federal Bureau of Investigation; and
3. Richard Morgan, the retired founding dean of the University of Nevada Boyd School of Law.

¹² Urga was also the independent member of the pre-2007 Compliance Committee.

In an arrangement designed to maintain a direct flow of information between the two corporate bodies, MGM Resorts International Board of Directors member William A. Bible also sits as an *ex-officio* member of the Compliance Committee. Bible is a natural person qualifier in this application. The Compliance Plan requires the Committee to review information brought to the Committee's attention or discovered by the Compliance Officer, and to formulate recommendations to management regarding a course of action to appropriately address the specific event, transaction, circumstance or situation. Per language in the Plan, "The Committee is not intended to displace the Board or the Company's Executive Officers with decision-making authority but is intended to serve as an advisory body to better ensure that the Company's goals of avoiding Unsuitable Situations and relationships with Unsuitable Persons remains satisfied." The three Compliance Committee members were interviewed as part of this investigation, and they all reported satisfaction with the Committee's relationship and communication with the Board of Directors.

The investigation shows that the current Plan, in concept, promotes the flow of information among the Compliance Committee, Board of Directors and Audit Committee. The Board of Directors and the Audit Committee currently receive Compliance Committee minutes, the Compliance Committee received Board and Audit Committee minutes, and per our review of the respective minutes there are certain common attendees to both the Compliance and Audit Committee meetings. The November 2013 revision now requires the Compliance Officer to report whether the Board has received the Compliance Committee minutes, and whether the Compliance Committee has received the Board and Audit Committee minutes.

The Plan appears to have appropriate "material" thresholds to provide guidance when due diligence review is necessary; the thresholds are commensurate with the size of MGM Resorts International. The Plan defines "material" in various measures depending on the specific context. For example, "Material Financing" is defined as financing exceeding \$250 million. A "Material Transaction" is defined in the Plan as: (a) any joint venture, partnership or similar business association; or (b) the acquisition by the Company of an equity interest in a Person; or (c) any transaction by which the Company acquires assets involving acquisition of assets or equity interests by the Company involving the expenditure of funds by the Company in excess of \$20 million and a continuing relationship (not including transitional services arrangements in

connection with such acquisition) with a Person that is not an Affiliate. "Material Litigation" is any litigation, with certain exceptions, with exposure exceeding \$10 million.

According to the Plan, minutes of all Compliance Committee meetings are to be prepared and maintained by the Compliance Officer "in sufficient detail to support a well-reasoned decision by the Committee." An examination of the minutes of the Compliance Committee for the last five calendar years shows that the minutes and supporting documents are kept in a comprehensive and well-organized binder system. Further, the minutes indicate that attendance is not limited to the three Committee members and Bible. The Compliance Officer attends, generally along with other key executives including: the Executive Director of Corporate Security, the Director of Internal Audit, the Executive Director of Gaming Compliance, the Vice President of Casino Marketing/Financial Services, as well as executives from company gaming subsidiaries. In addition, General Counsel John McManus is in regular attendance, as well as outside gaming regulatory counsel. On occasion, Nevada gaming regulators and/or representatives from Dubai World also attend. Compliance Committee meetings are held at least quarterly, more frequently as necessary.

A review of the minutes indicates that meetings are conducted in a comprehensive and orderly fashion. For example, the February 28, 2013, meeting commenced at 1:30 p.m., continuing until 4:40 p.m. The order of the meetings is methodical – after presentations by invited guests, "action items" are considered, followed by the Compliance Officer's report on matters of significance. Topics include material litigation, a review of political contributions, acts of wrongdoing and other regulatory matters, an update on MGM Macau compliance matters, a corporate security report including a review of vendor probity reviews, as well as an internal audit report. In addition, MGM Resorts International maintains an Ethics Hotline telephone number and reports all incoming calls to the Compliance Committee. All telephone calls are investigated, and a trend analysis is performed. By way of example, the February 28, 2012, minutes indicate in the fourth quarter of 2012 there were 162 calls to the Ethics Hotline.

If MGM Resorts International contemplates entering into a transaction with a publicly traded company, its Probity Review Standards and Procedures contain an exemption from any otherwise applicable probity review/background investigation if the intended business partner is "regulated by federal or state governmental agency or board, such as a publicly held company regulated by the SEC ..." A similar exemption is contained in the MGM Grand Paradise

Compliance Standards, Probity Review and Procedures, Section 1.3, paragraph A.1 (citation applicable to both entities). An exemption of this type is not uncommon. However, the application of the exemption resulted in MGM's conducting only limited due diligence on China State Construction Engineering Corporation Ltd. before issuing a press release on May 13, 2013, announcing a worldwide strategic partnership with China State. At the time of the press release, MGM was apparently unaware of that company's current debarment (until 2015) from participation in World Bank-funded projects due to allegations of impropriety on a project in the Philippines.^{13,14}

As previously stated, the MGM Resorts International Compliance Plan does not extend to the operations of the MGM Macau. On this point, General Counsel John McManus explained to Investigators that due to cultural and operational differences, it was impractical to simply and blanketly apply the existing corporate Plan to operations in Macau. McManus pointed out by way of example that political contributions are not an issue in Macau because of the one-party system. MGM Macau submits its reports to the MGM Resorts International Compliance Committee as required by the Nevada Gaming Control Board. The investigation shows that McManus does physically attend MGM Macau compliance meetings (as well as MGM Resorts International Compliance Committee meetings), which considering the time and travel requirements evidences his commitment to the process. A discussion of the MGM Grand Paradise Compliance Plan is contained later in this Report.

2. Anti-Corruption Guidelines – MGM Resorts International

MGM Resorts International has a written Code of Business Conduct and Ethics and Conflict of Interest Policy, dated 2013, contained in a 22-page document for its employees.¹⁵

¹³ In May 2013, MGM China Holdings entered into a Letter of Intent with China State Construction Engineering Corporation Ltd. to act as the General Contractor for the MGM Cotai project in Macau, a contract worth "billions" according to MGM China Holdings CEO Grant R. Bowie. In response to the Investigators' request for the due diligence files, MGM Resorts International supplied a letter explaining the exemption process; MGM China Holdings did provide a file indicative of a limited review.

¹⁴ The Investigators do not mean to speculate that, had it been identified and evaluated, the circumstances surrounding the debarment would have impacted MGM's decision to enter into a relationship with China State Construction Engineering. The Investigators merely note that according to numerous media reports, China State Construction Engineering Corporation Ltd.'s debarment from World Bank-funded projects stems from a collusion scandal involving seven firms from both China and the Philippines which was designed to establish bid prices for the Philippines National Roads Improvement and Management Program at artificial, noncompetitive levels.

¹⁵ The "Acknowledgment of Compliance with Policy" from the document states "We require all personnel at the level of Vice President and higher to acknowledge their adherence to this Policy upon hire and annually

Within the Code of Conduct is an MGM Resorts International Securities Trading Policy. We have reviewed the Guidelines and similar to the policy produced by MGM China Holdings discussed herein, they appear comprehensive, containing clear definitions, examples, disciplinary consequences, and a telephone hotline for reporting violations. Also contained within is a brief overview of the United States Foreign Corrupt Practices Act. For employees involved in international business development or international casino marketing, training in Title 31 (Bank Secrecy Act and Anti-Money Laundering procedures) is mandatory.

3. Anti-Money Laundering Policy – MGM Resorts International

The Bank Secrecy Act of 1970 (“BSA,” also known as the Currency and Foreign Transactions Reporting Act) requires US financial institutions to assist US government agencies to detect and prevent money laundering. Specifically, the BSA requires financial institutions to keep records of cash purchases of negotiable instruments, file reports of cash transactions exceeding \$10,000 (daily aggregate amount) and to report suspicious activity indicative of money laundering, tax evasion or other criminal activities. Originally applied only to financial institutions such as banks, reporting requirements have since broadened to include businesses such as casinos and check-cashing agencies. In that regard, a licensed casino qualifies as a “financial institution” subject to those filing requirements if it has more than \$1,000,000 in annual gross gaming revenue. This is a threshold any licensed gaming operation in Massachusetts is expected to meet. Several anti-money-laundering (“AML”) Acts, including provisions in Title III of the USA PATRIOT Act, have effectively amended the BSA.

MGM adopted a formal, company-wide Bank Secrecy Act and Anti-Money Laundering Policy and Program on August 19, 2013. For the period prior to the adoption of the company-wide AML policy, MGM Resorts International furnished numerous existing Bank Secrecy Act/Anti-Money Laundering compliance policies and procedures from its individual casino properties evidencing fulfillment of its responsibilities under the Bank Secrecy Act. A sampling of these compliance policies has raised no concerns that would impact suitability.

thereafter. The form of acknowledgment must be satisfactory to us. The principles reflected in this Policy will also be set forth, in whole or in part, in each of our various employment manuals, and as such, will constitute a part of the terms and conditions of your employment. Upon hire, we require you to acknowledge in writing your agreement to abide by the terms and conditions set forth in the employment manual of the hiring entity."

A review of the August 19, 2013 BSA/AML Policy and Program shows that it applies to MGM's domestic casino operations and all marketing offices worldwide, specifically, "MGM, its directors, officers and employees, including the officers and employees of its casino affiliates in the United States and the officers and employees of all of MGM's marketing offices." Although it does not extend to operations in Macau, in the event a customer of a U.S. MGM casino places funds on deposit at the MGM Macau for play in the U.S. (or satisfies outstanding U.S. markers at the MGM Macau), it is MGM's policy – with the caveat "if permitted under Macanese privacy laws"¹⁶ – to provide customer information to the applicable U.S. casino, and then the transactions are subject to the August 19, 2013 Policy and Program.

The 21-page Policy and Program appears comprehensive. BSA reporting requirements are outlined, and each domestic casino will have a designated BSA Officer overseeing compliance at his or her respective casino. Two BSA/AML Compliance Program Coordinators (one domestic, one international) serve company-wide under the Chief Compliance Officer. Each domestic casino has a Title 31 Compliance Committee, which must meet at least monthly. The Policy and Program includes voluntary AML measures that exceed BSA requirements, several of which are still a work in progress. For instance, regarding the risks of money laundering by Politically Exposed Persons ("PEP"), the August 19, 2013 Policy and Program contains the following language: "PEP screening – MGM is in the process of implementing a process to identify customers who are PEPs." Similarly, controls and procedures for enhanced customer due diligence are not yet in place; quoting from the August 19th document, MGM's "Enhanced Customer Due Diligence - MGM is in the process of developing risk-based enhanced customer due diligence ('EDD') internal controls and procedures for our large domestic and international gaming customers at certain thresholds." In sum, the Investigators note no concerns with the August 19, 2013 BSA/AML Policy and Program, which would be applicable to MGM's proposed Massachusetts gaming operation.

¹⁶ Macau operates under a strict data privacy law. The Macanese Privacy Act of 2006 is subject to interpretation, but essentially forbids businesses in Macau from transferring data on individuals to any other country. This statute, therefore, may preclude United States regulators from obtaining certain information directly from their licensees.

4. The Compliance Process in Operation

As stated, both MGM Resorts International and its publicly traded affiliate MGM China Holdings (through MGM Grand Paradise Limited) operate Compliance Committees, as well as Audit Committees. The compliance process itself is well designed, and below are two positive examples of thorough vetting of possible unsuitable situations.

a. August 13, 2012, Anonymous Email

On August 13, 2012, an anonymous email addressed to the Board of Directors, management and independent auditors of MGM Resorts International, the Nevada Gaming Control Board and others reported suspected money laundering and bribery activities in Macau by MGM Grand Paradise Limited, [REDACTED]

[REDACTED]

That same day, MGM Resorts International retained Kelly Austin, Esq., of the Hong Kong office of the international law firm Gibson Dunn, to coordinate and oversee an independent investigation into the allegations. [REDACTED]

[REDACTED]

[REDACTED] MGM implemented improvements to its reporting procedures and identification processes, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] The investigation was supervised by General Counsel John McManus and the MGM Resorts International Audit Department, who all agreed to close the matter on April 1, 2013. It appears to the Investigators that the corporate response to the anonymous email was timely and proportionate to the seriousness of the allegations. MGM Resorts International reports that while the core allegations were unfounded, improvements in policies and processes were made as a result. We note that the existence of the inquiry was contained in Audit Committee as well as Compliance Committee meeting minutes during the relevant timeframe.

b. Possible Joint Venture with bwin.party

On December 10, 2010, the minutes of the Compliance Committee Executive Session reflect a discussion by General Counsel John McManus on a potential relationship between MGM Resorts International and bwin.party digital entertainment (“bwin.party”) regarding entry into the Internet poker market in the event Internet poker is legalized. Bwin.party is a publicly traded company formed in March 2011 via the merger of bwin Interactive Entertainment AG and PartyGaming PLC. Prior to the merger, PartyGaming PLC had paid the United States Department of Justice \$105 million as part of a Non-Prosecution Agreement in April 2009 relating to its on-line poker activities that took place prior to the adoption of the Unlawful Internet Gambling Enforcement Act in 2006. Because of the Non-Prosecution Agreement and the significant fee paid by PartyGaming, any relationship between MGM Resorts International and bwin.party raised compliance concerns.

On March 3, 2011, McManus requested approval from the Compliance Committee to move forward with the relationship with bwin.party by entering into a Letter of Intent. The Compliance Committee requested an updated and complete copy of the Corporate Security investigation report on bwin.party before a decision was made. On May 19, 2011, the Compliance Committee met with two senior executives of bwin.party and discussed the circumstances leading to the Non-Prosecution Agreement. The matter was considered again on September 8, 2011, with no action taken. On October 7, 2011, the Compliance Committee voted not to object to the transaction, but conditioned its non-objection on a subsequent review of the proposed transaction by the CEO, COO and General Counsel of the Company. Should those

MGM Resorts International executives concur, it was the Committee’s further recommendation that the matter then be reviewed by the Audit Committee, and the Audit Committee’s recommendation then be considered by the entire Board of Directors. Ultimately, MGM Resorts International has continued to proceed towards formation of the joint venture with bwin.party, and appeared before the Nevada Gaming Control Board on November 1, 2012, in that regard to secure licensure for subsidiary MGM Resorts Online LLC. As of July 28, 2013, the Nevada Gaming Control Board was still investigating the suitability of bwin.party for licensure.

From a compliance perspective, MGM Resorts International’s consideration of the suitability of bwin.party as a business partner was a deliberate and cautious process. The scope of review was an appropriate response to the risk posed by a potential business association with an entity whose predecessor’s involvement in the then-gray area of Internet gaming garnered the attention of the United States Department of Justice and resulted in a Non-Prosecution Agreement and a substantial payment of \$105 million.

J. The Terry Christensen Matter

1. Introduction

Terry Christensen was a member of the MGM Resorts International Board of Directors from August 1, 1987 until February 21, 2006, at which time he resigned from the Board at the insistence of New Jersey regulators following his federal indictment on illegal wiretapping and aiding and abetting charges. He was convicted of these charges on August 29, 2008. Despite his indictment, resignation from the Board of Directors and subsequent conviction, senior executives at MGM and Tracinda continued to interact with him, including on sensitive and non-public company matters. His involvement ended on September 29, 2009, after the intervention of New Jersey and Nevada gaming regulators. Regulators in Nevada and New Jersey requested that MGM and Tracinda provide a written report on the matter. Accordingly, outside corporate counsel conducted a comprehensive internal investigation, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

¹⁷ These gaming regulatory agencies were in Illinois, Michigan, Mississippi, New Jersey and Nevada.

The New Jersey Division of Gaming Enforcement, which is at present concurrently investigating the licensing applications of MGM Resorts International and Tracinda Corporation, joined the Investigators here in certain aspects of the review of this matter. Our investigation included informal interviews, as well as eight sworn interviews of MGM Resorts International and/or Tracinda executives in July 2013, as follows:

Daniel Taylor	Tracinda Executive and MGM Board Member (Exhibit 5)	July 16, 2013
Anthony Mandekic	President of Tracinda and MGM Board Member (Exhibit 6)	July 16, 2013
Daniel D'Arrigo	Executive V.P. and CFO, MGM Resorts (Exhibit 7)	July 17, 2013
John McManus	Executive V.P. and General Counsel, MGM Resorts (Exhibit 8)	July 17, 2013
James Murren	Chairman of the Board & CEO MGM Resorts (Exhibit 9)	July 18, 2013
James Dumond	Vice President and CFO MGM Grand – Detroit (was corporate Compliance Officer during applicable timeframe) (Exhibit 10)	July 22, 2013
William Urga	Compliance Committee Member MGM Resorts (Exhibit 11)	July 23, 2013
Roland Hernandez	MGM Board Member and Chair, Audit Committee – MGM (Exhibit 12)	July 23, 2013

An unsworn interview of Kirk Kerkorian was also conducted on September 10, 2013. Electronic and hard copy records were also examined. Investigators attended a June 13, 2013, meeting and presentation at the [REDACTED]

[REDACTED] The instant investigation supplements MGM's internal investigation, and is not a *de novo* investigation.

2. Christensen's Criminal Trial

Christensen was a long-time confidant, personal attorney and advisor to Kirk Kerkorian and his business interests, including Tracinda. He was President of Tracinda in 1987 and assisted Kerkorian in the formation of MGM Grand Air and MGM Grand Corporation (predecessor to MGM Mirage and MGM Resorts). Christensen was a founding partner of the Christensen, Miller, Fink, Jacobs, Glaser & Shapiro law firm in Los Angeles. Christensen's law firm became one of the primary law firms utilized by MGM for its corporate legal needs.

The matter discussed in this section had its genesis in 2002, when Kerkorian, sole owner of Tracinda, then the controlling shareholder of MGM Resorts International, was involved in a child support suit in Los Angeles, CA. with his former wife, Lisa Bonder Kerkorian. Christensen became involved in the child support case. In that regard, Christensen hired private detective Anthony Pellicano to gather information on Lisa Bonder Kerkorian. In the course of an FBI investigation into an unrelated matter, the FBI obtained recording tapes from Pellicano's premises containing conversations between Lisa Bonder Kerkorian and her counsel, and conversations between Pellicano and Christensen. The recordings contained discussions between Pellicano and Christensen regarding the surreptitious wiretap of Bonder Kerkorian, and they served as the backbone of the wiretapping and aiding and abetting charges against Christensen.¹⁸

On February 15, 2006, Christensen was indicted by a federal grand jury on conspiracy to commit wiretapping and aiding and abetting charges. On August 29, 2008, he was found guilty after trial.¹⁹ On November 24, 2008, he was sentenced to three years in prison and a \$250,000 fine. He has appealed the convictions. The California Bar deemed him "Not Eligible to Practice Law" effective November 24, 2008. He remains ineligible to practice law in California.

During the trial, the prosecution presented evidence that Christensen paid Pellicano at least \$100,000 for the wiretap. The surreptitious recordings revealed conversations between Bonder Kerkorian and her friends and family on many aspects of her life. They also revealed communications between her and her attorneys, including litigation strategy. The Pellicano-Christensen recordings show that Pellicano relayed this information to Christensen. On August 20, 2008, Kerkorian testified for the defense and stated that he had been unaware of any illegal wiretapping on Bonder Kerkorian.

3. MGM Responds to Christensen's Indictment

Upon Christensen's resignation from MGM's Board of Directors on February 21, 2006, MGM issued a press release expressing its confidence in his eventual exoneration. The sworn interviews indicate that there was no independent review of the criminal allegations prior to the issuance of this press release.

¹⁸ These 34 recordings, approximately 6 ½ hours in total, were played by the government during the criminal trial. Transcripts of the 34 Pellicano-Christensen conversations were obtained by NJDGE.

¹⁹ Pellicano was convicted of numerous counts, some related to the wiretap but most unrelated. He was sentenced to 15 years in federal prison.

On February 28, 2006, the Compliance Committee met and discussed Christensen's indictment. Chair William Urga raised concerns about the Christensen law firm's continued representation of MGM as outside counsel. It was agreed that Ellen Whitemore, Esq. of the Lionel Sawyer & Collins law firm (MGM's gaming counsel) would research the matter.

On March 31, 2006, the Compliance Committee reconvened. Whitemore reported back to the Compliance Committee. The Compliance Committee unanimously recommended that:

- a. MGM should advise the Christensen firm to remove Terry Christensen as billing partner on the MGM account,
- b. Terry Christensen cease any further involvement in any litigation for MGM, and
- c. The Christensen firm adopt a policy prohibiting Terry Christensen from being consulted on any matters relating to the law firm's representation of MGM.

The current CEO of MGM Resorts International, James Murren (then CFO), was a member of the Compliance Committee during this timeframe. However, he did not attend this meeting and did not review the meeting minutes until the internal investigation commenced three and a half years later. Gary Jacobs, the General Counsel at the time, attended but abstained from voting because he was affiliated with the Christensen firm as "of counsel."

Urga stated that he later received a telephone call from either Gary Jacobs or Bob Faiss (a senior partner with Lionel Sawyer & Collins) asking that the Compliance Committee reconsider its recommendations, as they were too harsh and would be detrimental to MGM. The Committee reconvened on May 5, 2006, and Faiss addressed the Committee at Jacobs' invitation. It was explained that Christensen's institutional knowledge was valuable and precluding MGM from obtaining his advice could substantially harm the Company. The Compliance Committee then altered its recommendations, deciding:

- a. Terry Christensen could remain as a billing partner on the MGM account;
- b. It was acceptable for MGM to use Terry Christensen's legal services from time to time on matters of importance;
- c. It would continue the condition that Christensen cannot act as lead litigation counsel; and

- d. Added a condition that MGM prepare and submit quarterly report on the status of Christensen's indictment and the amount of services he provided during the preceding quarter.

As before, Murren was a member of the Compliance Committee during this timeframe. He stated he did not attend this meeting and did not review the meeting minutes until the internal investigation commenced three and one half years later.

There was no process then in place to ensure that the Compliance Committee's recommendations of March 31, 2006 and May 5, 2006 were communicated to senior management and the Board of Directors. The Compliance Committee did not issue a formal directive in either instance, and company executives and members of the Board of Directors later expressed with confidence that they had not been advised of the Compliance Committee's recommendations. It appears that the Compliance Committee did receive quarterly billing statements evidencing Christensen's legal billings, but they did not reflect the true extent of his involvement in corporate affairs.

MGM took no action to notify its gaming regulators of Christensen's August 29, 2008, conviction. [REDACTED] General Counsel Jacobs suggested to MGM's outside gaming counsel that there was no need to notify regulators because Christensen was no longer a Director and "was no longer involved with the Company."²⁰ [REDACTED] this investigation indicate that this was an inaccurate statement. Instead, it appears that Compliance Committee members were under the mistaken assumption that Christensen had been providing limited legal services to MGM, and that once his license to practice law was suspended (as it was on the date of his criminal sentencing), his involvement in company affairs would cease. However, for 13 months following his conviction and suspension from the practice of law, senior executives at both MGM and Tracinda, both licensed entities, communicated with Christensen about company matters, including matters of a sensitive and non-public nature.

4. The Internal Investigation [REDACTED]

On September 24, 2009, the *Wall Street Journal* published an article reporting that the judge in the Christensen trial said that Kerkorian might have been complicit in the crime.

²⁰ Christensen withdrew from the law firm in September 2008 following his conviction, and the firm changed its name to Glaser Weil. The Glaser Weil firm continues to serve as outside counsel for Tracinda.

Gaming regulators in New Jersey and Nevada quickly reacted and soon learned that while Christensen was free on bail pending appeal of his convictions, he had been provided with and was working out of an office at Tracinda's corporate offices and had maintained continued involvement with MGM and Tracinda. These regulators then requested that MGM conduct an internal investigation into the scope and circumstances of the Christensen-MGM-Tracinda relationship and provide a written report of findings. Accordingly, a thorough internal investigation ensued. [REDACTED]

[REDACTED] Some 41 witnesses were interviewed during the course of the internal investigation. The witnesses included MGM inside and outside directors, former and current employees, Tracinda representatives and partners and employees of the Glaser Weil law firm.²¹ Early in the internal investigation, James Murren as Chairman of the Board, and Roland Hernandez, in his capacity as lead independent director, recommended that MGM's Board of Directors appoint a committee of independent members to coordinate with the Compliance Committee on the investigation, to conduct and review the investigation's results and to make recommendations as appropriate.²²

[REDACTED] contacts between Christensen and MGM Resorts International and Tracinda executives and directors on various corporate matters involving both companies. These contacts took place post-indictment/pre-conviction, as well as after conviction, continuing to late September 2009 when gaming regulators intervened. [REDACTED]

[REDACTED] The instant Report highlights selected contacts to illustrate the nature and extent of Christensen's involvement in aspects of MGM's affairs following his resignation from the Board on February 21, 2006.

²¹ [REDACTED]

²² The board members who were determined to be independent and disinterested as to the Christensen matter were Willie Davis, former Nevada Governor Kenny C. Guinn, former US Secretary of Labor Alexis Herman, Roland Hernandez, Rose McKinney-James and Mel Wolzinger. Governor Guinn, Secretary Herman and Rose McKinney-James are members, and Roland Hernandez is chair of the MGM Audit Committee.

Christensen attended approximately four Board meetings after his resignation, spread out over the years 2006, 2007, and 2008. Ostensibly, he was attending as the personal representative of Kirk Kerkorian, despite the Board seats occupied by Tracinda executives Anthony Mandekic and Daniel Taylor. He was also present at a telephonic meeting (or meetings) of the Board, but his presence was not announced and was not reflected in the minutes, and other Board members were unaware of it.

Christensen's involvement in business affairs of MGM and Tracinda – *after his federal conviction* – included, but was not limited to:

- a. Discussions on the executive transition within MGM Resorts International upon the resignation of CEO Terry Lanni;
- b. Discussions pertaining to negotiations of the compensation package of the new CEO of MGM Resorts International, James Murren;
- c. Discussions regarding the selection of a prospective member of the MGM Board of Directors, who ultimately took a seat on the Board;
- d. Discussions about MGM Resorts International's intended response to litigation filed against it by CityCenter joint venture partner Dubai World in March 2009. General Counsel Gary Jacobs sought Christensen's advice on the contents of MGM's draft complaint against Dubai World, which was forwarded to him for review. Jacobs also shared ongoing settlement strategies and progress updates with Christensen;
- e. Discussions on numerous occasions between April 2009 and July 2009 with MGM Resorts International, Tracinda Corporation and Genting Malaysia Berhad (a Malaysian-based gaming company) executives regarding a possible financial investment by Genting;
- f. Discussions in late 2008 and early 2009 concerning MGM Resorts International's potential utilization of Goldman Sachs for a corporate debt restructuring;
- g. Discussions on the licensing ramifications to MGM Resorts International from the New Jersey Division of Gaming Enforcement's position on the unsuitability of MGM Resorts International's Macau joint venture partner Pansy Ho;
- h. Unannounced telephonic presence in select 2009 MGM Resorts International Board meetings, with the knowledge of Tracinda executives Kirk Kerkorian, Daniel J. Taylor and Anthony L. Mandekic;
- i. Receipt of information concerning cost assumptions and status reports on the CityCenter project and
- j. Use as a conduit by the MGM Resorts International CEO to inform Kirk Kerkorian as to the results of a September 2009 meeting with representatives of the New Jersey state government regarding licensure matters.

Murren himself had a number of interactions with Christensen after Christensen's August 29, 2008, criminal conviction. Murren readily admits now that he made mistakes in maintaining these interactions. The following are examples of some of those business contacts, as well as Murren's statements as to his then-existing lack of sensitivity to the regulatory implications. The citations refer to the transcript of Murren's July 18, 2013 sworn interview.

- a. Murren confirms that he interacted with Christensen after his indictment (2/15/06) and conviction (8/29/08). (*Murren T. p. 51, line 17-23*). Murren states that prior to [REDACTED] December 7, 2009, [REDACTED] he did not have any concerns about any interactions on MGM matters with Christensen. (*Murren T. p. 53, line 1-15*).
- b. Murren states that it took someone to tell him that sharing information with a convicted felon was not setting a good ethical tone for a CEO. (*Murren T. p. 80, line 7-12*). He acknowledges that it took the 2009 MGM internal investigation to educate him, and he was admonished for not adhering to the MGM Code of Conduct. (*Murren T. pp. 80-81*).
- c. Murren is included in an October 10, 2008 email chain from Gary Jacobs to Christensen which discussed efforts by Jacobs to arrange a meeting for Tracinda and Christensen with a representative of Diaoyutai State Guesthouse of the People's Republic of China. This related to MGM's involvement in a joint venture with Diaoyutai to develop and operate non-gaming hotels in Asia, primarily in China. (*Murren T. pp. 128-133*).
- d. Murren stated that he emailed Christensen on November 13, 2008, attaching an MGM press release announcing Lanni's resignation from MGM. Murren stated he sent it to Christensen to make sure Kerkorian got the news and letter. (*Murren T. pp. 133-137*).
- e. Murren acknowledged that Christensen intervened in Murren's efforts to negotiate a new compensation package with MGM in December 2008/January 2009. Frustrated by MGM's slow pace, Murren contacted Kerkorian to voice his unhappiness. Shortly thereafter, Christensen contacted Murren and Murren's attorney, Al Segel, Esq. Murren stated he should have told Christensen to stay out of the negotiations, but he did not. (*Murren T. pp. 142-149*). Murren is copied on a January 8, 2009, email from Jacobs to Al Segel, Esq. that references Christensen's involvement in the contract negotiations.
- f. Murren continued to communicate with Christensen about MGM business after Christensen became a convicted felon and suspended attorney. Murren confirmed that after MGM received a July 27, 2009, letter from NJDGE about the Borgata license renewal, he (Murren) directed John McManus to send a copy to Christensen. (*Murren T. pp. 150-151*).
- g. Murren stated that on September 10, 2009, he (Murren) directed McManus to call Christensen and advise him of the details of a meeting Murren had earlier that day with NJDGE personnel about the Borgata. Murren stated it was an established protocol to use Christensen this way to communicate with Kerkorian. (*Murren T. pp. 154-157*).

- h. On July 15, 2009, Christensen sent an email to Murren regarding K.T. Lim of Genting. Murren confirmed it was an MGM matter and that Murren had attended a meeting with Christensen and K.T. Lim the night before to discuss a potential financial investment. (*Murren T. pp. 163-165*).
- i. After Christensen's conviction, Murren sent a character reference letter on behalf of Christensen to the presiding judge in the Christensen trial. (*Murren T. pp. 169-170*).

The following emails also reflect Christensen's involvement:

- j. Murren is copied on a December 2, 2008, email from Jacobs to Christensen which discussed MGM's efforts to negotiate an engagement agreement to have Goldman Sachs retained as MGM's financial advisor. Murren is copied on other email communications in December 2008 between Jacobs and Christensen relative to a possible engagement of Goldman by MGM.
- k. Murren is copied on a December 15, 2008, email from Jacobs to Christensen, Mandekic and Taylor which discusses Dubai World's ownership of MGM stock.
- l. Murren received an April 29, 2009, email from Jacobs which included an earlier email from Christensen relating to a settlement reached between MGM and Dubai World.
- m. On June 2, 2009, Murren received an email from Jacobs in which Jacobs indicated that he had just spoken to Christensen about Dubai World issues.
- n. On July 15, 2009, Christensen sent an email to Murren summarizing their meeting with K.T. Lim of Genting the previous night. Christensen was also copied on a July 15, 2009, email from Jacobs to Murren which recapped the meeting with K.T. Lim of Genting.
- o. On November 13, 2008, Daniel Taylor sent an email to Christensen and Murren which approved an attached final draft of an MGM press release announcing Lanni's retirement.

Immediately below are excerpts from the sworn interview conducted by the Investigators here with MGM CEO James Murren. (See pages 197-201 of Murren interview).

[QUESTION]: I also want to discuss Mr. Christensen's involvement in MGM business after his indictment. I believe we've established that he resigned from the MGM board of directors in 2006, actually in February 2006, correct?

[MURREN]: That is correct.

[QUESTION]: Were you aware that he was present at MGM board meetings subsequent to his resignation?

[MURREN]: Yes, I was.

[QUESTION]: And how do you know that?

[MURREN]: Because I was at the board meetings that he attended.

[QUESTION]: Can you tell us how many board meetings he attended after his resignation?

[MURREN]: I do not know the precise number. My estimation would be less than five.

[QUESTION]: Can you tell us approximately when those meetings were?

[MURREN]: They would have been in the years of 2006 and 2007. I believe also in 2008. And they would have been most likely at the mansion at MGM Grand where we held most of our board meetings at the time or perhaps here at Bellagio, and I could not tell you the exact dates.

[QUESTION]: So it's your recollection approximately five board meetings he attended?

[MURREN]: That is my recollection. Although, I learned later that he also attended via telephone board meetings on an unannounced basis, which I did not know at the time.

[QUESTION]: For what purpose did he attend these board meetings after his resignation?

[MURREN]: It was presented to me by our general counsel and our chairman at the time that he was there as an advisor and as a representative of Mr. Kerkorian.

[QUESTION]: It's correct that you were not the chairman of the board at that time?

[MURREN]: I was not the chairman of the board until December of 2008.

[QUESTION]: So every time that Mr. Christensen attended these board meetings post-indictment, after his resignation as a member of the board, you were not the chairman?

[MURREN]: That is correct. I believe he attended board meetings – I – I honestly cannot be certain how many board meetings he attended, but from 2006 through December of 2008, I was not the chairman.

[QUESTION]: Do you recall if he participated in these board meetings?

[MURREN]: I don't recall him being vocal in any way at the board meetings.

[QUESTION]: Were the board meetings held in a room similar to this?

[MURREN]: Very similar.

[QUESTION]: And would Mr. Christensen have a seat at the table?

[MURREN]: Yes, in – in – the normal practice at that time was that Terry Lanni would be at the head of the table right about where you are. And there was no assigned seating. And at that period of time then he would have a seat at that board table.

[QUESTION]: And New Jersey had requested that Mr. Christensen resign as a member of the board of directors upon his indictment; is that correct?

[MURREN]: That is correct.

[QUESTION]: Did it appear to you that having Mr. Christensen attend board meetings after his resignation was contrary to the spirit of New Jersey's request?

[MURREN]: Not at the time. It certainly does today.

[QUESTION]: Can you expound on your answer, and tell us why that did not occur to you at the time?

[MURREN]: Because this was a discussion that was – that occurred between Terry Lanni, our chairman, who as I said earlier is a man I respected greatly, had been in the gaming industry for decades and our general counsel, and it was determined by them that it was acceptable for Terry Christensen to attend in an advisory capacity at those board meetings. And then I did not think at that time to question that decision.

Murren's sworn statement confirms that Christensen's post-indictment presence at the Board meetings existed under the previous CEO, Terry Lanni, and continued when Murren became CEO on December 1, 2008, upon Lanni's November 13, 2008, resignation, although Murren has stated that he was not aware of his participation. Although Murren became CEO after Christensen's August 29, 2008, conviction, he did not sever Christensen from involvement in company affairs, although he admits now that he made mistakes in not doing more on that front. [REDACTED] Murren sought Christensen's advice on how to best ensure that Lanni's recommendation of Murren as his successor was publicly viewed in a positive light. Murren explained in his sworn interview that he relied on the advice of General Counsel Jacobs, who claimed to have spoken to regulators about the Christensen matter (but had not). Murren relied on Jacobs despite the fact that he knew Jacobs and Christensen were law partners – and friends - for decades, and knew that Christensen and Kirkorian were close associates as well.

In summary, for 13 months after Christensen's conviction, senior executives of MGM permitted his continuing involvement in the company's affairs. [REDACTED]

[REDACTED] MGM Resorts International undertook remedial action, as described below.

5. MGM's Remedial Actions

MGM adopted changes in its compliance and corporate governance functions following the Christensen matter. On April 8, 2010, Ellen Whittemore, Esq. of Lionel Sawyer & Collins, MGM's Nevada regulatory counsel, prepared a White Paper, which was submitted to members of the Nevada Gaming Control Board and then to all domestic regulators in jurisdictions where MGM is licensed or seeking licensure. The White Paper expressed MGM's regrets that the Company did not avail itself of the opportunity to speak to regulators about the propriety of ongoing contact with Christensen following his conviction. The White Paper described the concrete steps taken by MGM in the form of remedial actions [REDACTED]

The White Paper outlined the following actions taken by MGM following the investigation:

- Entered into a resignation agreement with Gary Jacobs, its General Counsel;

- [REDACTED]
- Took significant remedial steps in consultation with the Compliance Committee to remedy communication lapses that allowed the association of Christensen to continue unchallenged (including a review of the Company's corporate governance policies and procedures); and
- Decided that it would be beneficial for a person with extensive gaming regulatory experience join its Board of Directors and elected William Bible, a former Chairman of the NGCB, to that position.

MGM also announced that the following policies and procedures would be implemented to enhance the Company's compliance efforts:

- The minutes of the Compliance Committee meetings will be shared with all Directors;
- The minutes of the Board of Director meetings will be shared with the Compliance Committee and the Compliance Officer;
- The CEO, Compliance Officer and General Counsel will participate in monthly meetings to discuss compliance matters;
- The Compliance Officer will participate in weekly meetings of the Company's legal and finance teams;

- Each annual online training course for Company executives will be enhanced to specifically discuss possible associational issues; and
- The minutes of the Compliance Committee meetings are being sent to each of the Company's gaming regulatory agencies.

In addition, the Compliance Committee Chair or Compliance Officer, or both, will address the Audit Committee at its quarterly meetings to discuss significant actions and concerns of the Compliance Committee. The Code of Conduct will be revised to clarify the necessity of seeking the advice of the General Counsel or Compliance Officer in cases where there is a proposed relationship with a person charged or convicted of a felony.

In addition to these actions, the Independent Directors recommended, and the Board authorized, among other things:

- Established the role of Independent Lead Director (to replace the current Presiding Director role);
- Established a policy whereby no Tracinda-affiliated director may chair the Nominating/Corporate Governance Committee or serve as Independent Lead Director;
- Reconstituted the Nominating/Corporate Governance Committee adding a new member and changing the Chair of this committee; and
- Approved the addition of a provision to the Company's Corporate Governance Policies that requires directors to notify the Chairman and Independent Lead Director regarding actual or potential conflicts, including potential service on other boards or any other changes that could give rise to conflicts or changes in independence status.

In examining the context in which the Christensen matter was allowed to arise, the White Paper concluded that Christensen touted his longstanding relationship with Kerkorian, traded on his intimate knowledge of MGM matters, created a perception that he was Kerkorian's closest advisor, took advantage of Kerkorian's private nature and positioned himself as an essential conduit to Kerkorian. The White Paper also noted the significant economic challenges facing the company during this period (e.g., the unexpected and sudden retirement of MGM Chairman and CEO Terry Lanni, a drop in corporate revenues, credit issues, construction and financial problems at CityCenter, employee layoffs, sales of corporate assets and disputes with Dubai World). MGM executives in turn continued to channel communications on significant matters to Kerkorian through Christensen. The White Paper also reflected that Christensen and MGM General Counsel Jacobs held a close professional relationship, having practiced law together for decades as the founding members of MGM's former lead outside law firm, Christensen, Glaser,

Weil, Fink, Jacobs & Shapiro (now the Glaser Weil firm). They routinely and frequently consulted with one another on MGM matters. It appears that this close association may have clouded Jacobs' evaluation – as then General Counsel – of the propriety of continuing the company's involvement with Christensen, as he took no action to limit Christensen's involvement, even after conviction. It should be noted, however, that MGM's Board of Directors did recognize the implications of dealing with a convicted felon, but were in the dark about the post-conviction involvement. To illustrate, Roland A. Hernandez, a member of the MGM Board of Directors, stated during his July 23, 2013, sworn interview that the MGM Board had every expectation there would be no involvement by Christensen in the affairs of MGM. (See pages 35-41 of the Hernandez interview).

[QUESTION]: To the best of your recollection, did the MGM Board of Directors undertake any response to Mr. Christensen's conviction?

[HERNANDEZ]: I don't believe that there was any affirmative act by the board via corporate resolution of that sort as a response to that.

[QUESTION]: Was there any other type of act by the board?

[HERNANDEZ]: The board would only act via corporate resolutions. The answer would be no.

[QUESTION]: Was there any discussion by the board?

[HERNANDEZ]: I can't recall whether it was generally discussed.

[QUESTION]: Was their discussion among members without formal action? At that point, you knew Mr. Christensen was doing this work you described. Was there any discussion among the board members that the situation may now change as a result of the conviction.

[HERNANDEZ]: Yes, there was generally discussion. Mr. Jacobs at some point in time around that period did communicate that Mr. Christensen would no longer be permitted to practice law in California, and as a result would no longer be active at Glaser Weil as a practicing lawyer. And that there would be no further activities related to Terry Christensen vis-à-vis Glaser Weil and therefore to the firm.

[QUESTION]: Was there any further discussion of what role, if any[,] Christensen[] may play at MGM as a consultant or advisor or as an advisor to Tracinda separate and apart from the law firm?

[HERNANDEZ]: I believe it was generally assumed that going forward there would be zero contact because he had now become a convicted felon and no longer had a license to practice law.

[HERNANDEZ]: I want to explore the assumption. Was that your assumption or was that Mr. Jacobs assumption? Whose assumption was that?

[HERNANDEZ]: I will say that I certainly held that belief that there would be no further contact because there would be no permissible way to have contact. I generally recall probing that with Mr. Jacobs.

[QUESTION]: Could you elaborate on that?

[HERNANDEZ]: Yes. So, with respect to his service as a lawyer at Glaser Weil and Mr. Jacobs telling me that his license was revoked and he could no longer practice law. So, I believe my belief was formed on the basis of facts through discussions with Mr. Jacobs. I don't recall whether those same discussions occurred at the board level.

[QUESTION]: Were any discussions between M[r]. Lanni at the time or Mr. Murren who was CFO at the time to reassure yourself or maybe other board members that you were aware of that [] relationship with Mr. Christensen, all relationships, all business relationships would be ended or was it limited just to the legal representation?

[HERNANDEZ]: I don't recall specific discussions. And I can only speak for myself in terms of my own conclusions. And I've spoken a bit about those. I will say that I certainly believed that as a convicted felon there would be [no]²³ further contact. There was nothing that I saw or knew of to suggest that anything differently was happening. So, I believed that we would have no further contact as a company with Mr. Christensen. Going forward I saw no evidence or indication of any sort that there was any further contact. So, from my point of view, Mr. Christensen was no longer coming to board meetings as an attorney, representative, friend of in the capacity at a board meeting. And that in fact stopped. And I was never aware of a conversation, meeting, association of any sort of Mr. Christensen and anyone. I will say that had I been aware, it would have immediately caused me to take positive action to address it. But within the context of no indication, I believed that we had zero contact with Mr. Christensen.

.....

[QUESTION]: Why did you feel so strongly that MGM should not have a continuing relationship with a convicted felon?

[HERNANDEZ]: It's against Nevada gaming rules and a host of other regulatory rules around the country.

6. Regulatory Response to the Christensen Matter

[REDACTED]

[REDACTED]

[REDACTED]

²³ It is apparent from the context of Mr. Hernandez's testimony that the omission of the word "no" is a transcription error.

[REDACTED]

[REDACTED]

In 2010, the Michigan Gaming Control Board (“MGCB”) brought an administrative action (Case No. CCC-2010-030) against MGM Grand Detroit LLC (Respondent). This action was brought by the failure of MGM to provide written notification to MGCB of the Christensen indictment. MGM’s Nevada counsel had only informed by telephone the Executive Director of the MGCB on February 15, 2006, of the indictment. On November 9, 2011, the MGCB approved an Acknowledgement of Violation (“AOV”) executed by the parties and issued a final Order whereby the Respondent agreed to pay a penalty of \$225,000 as follows:

- a. \$150,000 to be paid within 60 days of the Final Order;
- b. \$75,000 held in abeyance pending successful completion of a 1-year probationary period beginning on the date of the AOV.²⁴

In October 2013, the Maryland Lottery and Gaming Commission concluded that MGM Resorts International qualified for licensure there subject to the conditions that it, its individual principals and its principal entities refrain from any personal or business contact with Christensen and report any unavoidable contact with him to the MLGC. No other administrative actions(s) have been taken against MGM (and/or Tracinda) by any of MGM’s other gaming regulators since the conclusion of the Terry Christensen investigation.

The New Jersey Division of Gaming Enforcement’s initial inquiry into the matter was suspended when MGM Resorts International withdrew from that jurisdiction in 2009. Upon MGM’s February 2013 application for re-licensure there, the NJDGE is once again reviewing the matter as part of its probity review of MGM. NJDGE expects its investigation into the suitability of MGM to be completed in 2014.

²⁴ The \$75,000 balance was not ultimately paid by MGM or MGM Detroit.

V. MGM's Operations in Macau

A. Introduction

A significant portion of MGM Resorts International's business comes from its operations in China, specifically the MGM Macau casino hotel that is located in Macau, a Special Administrative Region of People's Republic of China. In terms of gaming revenue, Macau is the top grossing gaming jurisdiction in the World. In 2012, Macau gaming revenues were \$38 billion; by comparison, the Las Vegas Strip had 2012 gaming revenues of \$6.2 billion. To put the Macau revenue in further perspective, according to the American Gaming Association, the gaming revenue for all of the commercial (non-tribal) casinos in the entire United States totaled \$37.34 billion in 2012.

MGM's entry into the Macau gaming market has been a financial success. In that regard, the primary driver of improvement of MGM Resorts International's operating results, at least since 2011, is the MGM Macau, with increased profitability each year. MGM Macau's 2012 revenues of \$2,807,676,000 represent approximately 30 percent of total net revenues attributable to MGM Resorts International; the Macau business also generates approximately 39 percent of adjusted EBITDA to total adjusted EBITDA. This audited financial data reflect that MGM China is a significant contributor to MGM Resorts International's overall financial well-being.

In addition to good character, honesty, integrity and reputation, the Massachusetts Gaming Act, specifically M.G.L. c.23K, § 12(b)(ii), requires that an applicant for licensure demonstrate "responsible business practices in any jurisdiction." Considering the financial importance of its Macau operation to MGM Resorts International, the Gaming Promoter system utilized at the MGM Macau and the New Jersey Division of Gaming Enforcement's public concern with the manner in which MGM entered the Macau market, we examined MGM's Macau operations closely.

B. Brief History and Overview of Casino Gaming in Macau

1. Pre-1999 Casino Gaming in Macau

Macau is located off the southern coast of China, 40 miles south of Hong Kong. Legalized gaming commenced in Macau, a Portuguese colony at the time, in 1847, the same year

Hong Kong's sovereignty was ceded to the British. In 1937, the first casino franchise – a monopoly - was granted by Macanese authorities. In 1961, the Macanese government enacted legislation to open up the casino monopoly to a public bidding process. There were two bidders. The winning group consisted of Hong Kong developer Stanley Ho and a consortium of other businessmen, who together formed Sociedade de Turismo e Diversoes de Macau (“STDM”). STDM's monopoly was set to expire in 2001. For 40 years, STDM dominated the Macanese casino gaming market. STDM's first casino opened in 1962, with its flagship Lisboa Hotel and Casino commencing operations in 1970. By the mid-1980s, Stanley Ho had gained the controlling interest in the company. Also in the mid-1980s, Stanley Ho introduced the Gaming Promoter/Junket Operator system into his gaming properties, whereby the casino essentially subcontracts control of a portion of its VIP Rooms. The Gaming Promoter/Junket Operator system, which is explained more fully below, serves to shift the risk of financial loss from the casino to the Gaming Promoters. In addition, the "revenue sharing" arrangement at many of the Gaming Promoter tables spreads the risk of loss between the casino and the Gaming Promoter. Another benefit is the Gaming Promoter's ability to offer credit to players.

It has been widely acknowledged that, in the 1980s, Asian organized crime groups known as triads became prominent in the junket operations of Stanley Ho's casino monopoly. Triad presence remained high through the 1980s and 1990s. In the period 1995 through 1999, large-scale violence erupted between rival Macau-based triads vying for the lucrative junket operation market and its related activities. During this period, Hong Kong-based triads also moved into the area. This history of junket operations' affiliation with Asian organized crime has been noted in the *USCC Annual Report*.

2. Post-1999 Casino Gaming in Macau

In December 1999, pursuant to a treaty between Portugal and China, Macau reverted to Chinese sovereignty and became a Special Administrative Region (“SAR”) of the People's Republic of China. As part of the agreement to grant China sovereignty over Macau, Macau enjoys a high degree of autonomy in all matters except for defense and foreign policy (until 2049). Under this “one country – two systems” policy, casino gambling has remained legal in Macau while illegal in the PRC.

Upon the expiration of STDM's monopoly in 2001, the government, in an effort to inject new dynamics into the gaming industry and lay a foundation for future economic development, opened a bidding process for three gaming concessions.²⁵ Significant interest from American gaming operators ensued. All in all, there were 21 bids submitted for these three concessions, including a bid from MGM Resorts International. In 2002, three companies were awarded concessions: Sociedade de Jogos de Macau (SJM), owned by STDM, Stanley Ho's company; Wynn Resorts (Macau) S.A. (Wynn); and Galaxy Casino, S.A. (Galaxy). Later in 2002, the Galaxy concession was altered to allow Galaxy to grant a sub-concession to the Las Vegas Sands' Venetian Macau S.A. (Venetian). The other concessionaires were also allowed to sell sub-concessions, which they did in 2005 and 2006. SJM sold a concession to the MGM Grand Paradise, S.A., a partnership between Pansy Ho (Stanley Ho's daughter) and MGM Resorts International. Wynn sold a concession to Melco PBL Jogos (Macau), S.A. (now Melco Crown), a partnership between Melco and PBL, an Australian operator. The Sands opened in 2004 as the first casino project developed by an American company in Asia. That same year, Galaxy's first project, Casino Waldo, also commenced operations. Wynn's first casino hotel opened in 2006, and Melco PBL's first casino, Casino Crown opened in 2007. In December 2007, the MGM Macau entered into operation. Thus, currently under the Macau gaming regulatory structure there are six autonomous licensees in Macau operating approximately 35 casinos. Three of these are U.S.-based operators (Wynn, Sands, and MGM).

Meanwhile, following the handover of Macau to China in December 1999, China took strong measures to curtail triad violence in Macau, including dispatching its army to Macau and imprisoning and executing triad members. An immediate and drastic drop in violent crime resulted. Since 2000, a period in which there has been a dramatic rise in gaming-related revenue in Macau, Macau has continued to experience a significant decline in violence. Open media sources have attributed this decline in large part to the ongoing oversight by the PRC, the presence and influence of western casino concessionaires, and the general belief that negative exposure can adversely impact the tremendously successful casino industry. Nonetheless, concerns about organized crime persist. Indeed, as reported in a March 29, 2010 Reuters article, Manuel Joaquim das Neves, the Director of DICJ (the primary casino regulatory body in Macau)

²⁵ In Macau, a "concession" is essentially a license granted to a particular operator to open one or more casinos. Thus, unlike the U.S. jurisdictions, Macau licenses the operator, not each individual casino.

who has been the chief regulator of casinos in Macau since at least 1999, publicly acknowledged this risk when he stated, “This kind of business certainly involves people related to organized crime. That’s why we establish the license for just a year. Every year, they [the junket operators] must renew the license.” The U.S. – China Commission *Annual Report* also acknowledges ongoing concerns about organized crime in Macau’s casinos today, specifically money laundering, abusive debt collection practices by junket operators through threats of violence and other non-judicial means and added risks for U.S.-licensed companies with Macau casinos arising from junket operations’ historic affiliation with Asian organized crime. (Internal citations omitted). At the same time, the USCC *Annual Report* (Exhibit 13) notes that “these concerns have led American companies operating casinos in Macau to take additional steps to prevent illegal activity in their operations.” Although the USCC *Annual Report* did not evaluate the adequacy of these additional measures, it did note Nevada State Gaming Control Board Chairman A.G. Burnett’s testimony (Exhibit 14) before the Commission on June 27, 2013, as well as a January 24, 2013, *Wall Street Journal* article regarding the “strict safeguards” implemented by U.S. casinos operating in Macau to prevent criminal activity from occurring within their Macau casinos. The USCC *Annual Report* further underscored the distinction by quoting Professor I. Nelson Rose’s²⁶, who also testified before the Commission, as follows: “between casinos (in Macau) that are licensed by U.S. states and those that are not. . . . in practice, there are two separate regulatory systems working in Macau. There are the casinos that are subject only to Macanese regulations. And there are those that are also subject to control by states and nations outside of the PRC – in particular the three casino operators who are also licensed by Nevada and other [U.S.] states.”

As of the end of 2012, Macau’s six concession holders operated a total of 35 casinos, with 23 located in the Macau peninsula and 12 on Taipa Island. SJM operates 20 casinos, Galaxy six, Venetian four, Melco Crown three, and Wynn and MGM one each. Additional casino projects are planned by the concessionaires for the Cotai strip, a section of reclaimed land in Macau named for the Coloane and Taipa Islands. The \$38 billion (USD) in casino revenue in Macau in 2012 amounted to about six times that of Las Vegas and exceeded that of all United States casinos.

²⁶ Professor Rose is from the Whittier Law School in Costa Mesa, CA. He is a recognized expert on gaming law.

3. The Gaming Promoter System in Macau

A portion of the current Macau gaming market is comprised of high stakes patrons from the PRC who almost exclusively play baccarat in dedicated VIP gaming rooms. VIP gaming rooms are well-appointed suites generally located within a large casino that provide luxury accommodations and privacy, exclusively for gaming by top-tier gaming patrons.

VIP Gaming Promoters are similar to what we know in the United States as “junket operators,” in the sense that the promoters recruit patrons to the Macau casinos. Although Macau casinos might well prefer to develop their own VIP clientele, using third-party Gaming Promoters represents a practical way for the casinos to participate in the niche market of high stakes gamblers from mainland China. The Gaming Promoters rely on a network of “collaborators” comprised of junket operators, subjunkets and agents. Gaming Promoters are compensated based either on a commission based on turnover or a revenue share arrangement. A paramount benefit offered by Gaming Promoters is the ability to extend credit to mainland Chinese players, which the casino will not do because gambling debts are not legally enforceable in China. Accordingly, under the Gaming Promoter system, the casino places the credit risk on the Gaming Promoter, but reaps the benefit of the player gambling on credit at its property. Further, the casino cannot advertise or market the gaming aspect of its casino in mainland China, as that is unlawful there, and relies on the Gaming Promoters to accomplish this.

The activities of Gaming Promoters authorized under Macanese law extend to certain financial transactions generally reserved to casinos themselves in U.S. jurisdictions. For example, the MGM Macau has entered into contracts whereby reserved areas of its gaming space are assigned to each of the eight Gaming Promoters it operates with, for each to conduct its operations. Although U.S. casino concessionaires doing business in Macau maintain control of the actual games, the Gaming Promoters are responsible for certain cage, cash transaction, reporting, and credit issuance and collection functions. Thus, the Gaming Promoters’ customers conduct their cage transactions not with the casino, but with the Gaming Promoters.

While the Gaming Promoters are licensed by the DICJ as individual operators, the vast majority of them have complex corporate structures, financial guarantors and third-party assignments. Many of the Gaming Promoters are publically traded companies, and only a small number of them are responsible for the majority of all VIP gaming operations in Macau. As

such, the same Gaming Promoters often have contracts with multiple concessionaires and sub-concessionaires in Macau.

Although the majority of Macau’s gaming customers are mainland Chinese, the Chinese government does not permit individuals to leave the mainland (including travel to Macau) with more than RMB 20,000 in currency (\$3,262 USD). Domestic residents of the People’s Republic of China may purchase foreign exchange at banking institutions, and with appropriate verification of the authenticity of purpose, we understand that with permission a person may export up to \$50,000 (USD) per year. These currency restrictions explain, at least in part, why casinos in Macau advance credit to their Gaming Promoters, which is then advanced to the customer through the network of collaborators.²⁷ Typically, the casino does not involve itself with the Gaming Promoter-to-customer credit issuance and collection process, and is unaware of how bad debts are collected from those customers. Further, as previously stated, there is no legal mechanism for the collection of gambling debts in China. The VIP Gaming Promoter system has developed as an outgrowth of all of these factors. The USCC *Annual Report* notes a 2007 University of Nevada study which stated, “The extent to which extra-judicial means of debt collection (i.e., threats, intimidation, violence, induced crime such as embezzlement, etc.) occurs is an obvious concern for regulators, especially those from outside Macau that oversee companies which are concession or subconcession holders in Macau.”

As noted earlier, Gaming Promoters are licensed and vetted by the DICJ, and casinos undoubtedly have every incentive to abide by the PRC’s laws. However, the licensing and vetting requirements do not extend to the network of collaborators/subjunkets behind each Gaming Promoter. As stated by Nevada State Gaming Control Board Chairman A.G. Burnett during his testimony before the USCC:

“Our analysis indicates that the Nevada affiliated casinos in Macau offer robust compliance with anti-money-laundering protocols. That robust compliance, however, is only up to a point. That point is where the VIP Room Operators assume responsibility. Though VIP Operator transactions conducted directly with the

²⁷ An underground system has developed to illicitly move money in excess of those currency thresholds from the mainland to Macau for gambling purposes. The methods range from the smuggling of cash across the border, to purchasing mutual funds and investment-linked insurance policies against which gamblers may borrow funds, to the use of high value jewelry and watch shops on the casino floor whereby a gambler will “purchase” a high value item from the store with a credit card, but actually receive cash instead of the item. The store will keep a fee plus the credit card commission per transaction. The MGM Macau is aware of this type of money movement, and they have no jewelry or watch shops on their casino floor.

casino are tightly controlled and regulated, criminal transactions are widely alleged to take place just out of the direct purview of the casino. Such activities include back-betting, side-betting, loan sharking, violent loan collections, underground banking, and money laundering. Furthermore, it is common knowledge, the operation of VIP Rooms in Macau casinos had long been dominated by Asian Organized Crime (AOC), commonly referred to as “triads.” With the evolution of gaming in Macau, the same AOC figures are allegedly still working the VIP Operations; only now they do it behind a façade of “legitimate” public corporations, complex corporate structures, financial guarantees, and third-party assignments. Public media and intelligence sources have affiliated all but one of the seven VIP Room Operator groups of interest with reputed AOC figures. Many of these associations are linked through documented public records. As such, since March 2010, the industry has been facing an increasing deluge of media scrutiny concerning the Nevada gaming companies’ ties to organized crime in Macau. In its purest form, the operation of VIP Rooms is legitimate and lucrative for all parties. It is only in the ancillary affiliated activities that the model is vulnerable to perpetration of illegitimate activities. For example, VIP Room Operators are in a position to offer money laundering and underground banking transfer “services” for other criminal activities, especially when comingled with legitimate funds.”

As further summarized before the USCC by Chairman Burnett:

A common misconception about money laundering is that to participate, one must help process “dirty” money through a system that makes it “clean.” Rather, under US Federal laws, one needs only to accept money suspected of being dirty into the financial system to be a participant in money laundering. Of concern to the United States is that once in the legitimate system, that once dirty money can be moved or used for legitimate or illegitimate purposes.

While transactions facilitated directly with casinos have robust anti-money laundering procedures, a money laundering vulnerability exists whereby illegitimate money enters the system through VIP Room Operator transactions facilitated outside of the casino’s purview. In addition, no one can count the methods and means utilized by criminal enterprises to facilitate laundering of money, and indeed, while the concern and the activity exists worldwide, there is a special concern with Chinese officials attempting to bring state money out of the mainland and possibly

through casinos or other businesses in order to land it elsewhere for future use.²⁸

The IEB had a telephone conversation with Chairman Burnett on November 25, 2013 in order to discuss his testimony to the USCC. Burnett indicated that during his testimony he intended to provide a historical perspective on gaming in Macau. He also communicated his view that the three U.S. operators in Macau have had a “cleansing effect” on gaming practices there through their efforts to be in compliance with U.S. regulators. He further indicated that the three U.S. operators in Macau have spent a considerable amount of time and effort in ensuring that they not only comply with Macanese laws but also remain in good standing with their other regulators. Burnett also said that Macau regulation is evolving in a positive way.

The USCC *Annual Report* acknowledged Chairman Burnett’s testimony and further cited his testimony that “In Macau there is an even larger risk of money laundering within the VIP gaming room operations, which are physically conducted within the casinos but remain outside of the casino’s oversight.” The USCC *Annual Report* goes on to state that “The risk is further enhanced because so much of the money that is wagered in Macau goes through the loosely regulated VIP rooms. In 2012, VIP baccarat rooms in Macau casinos accounted for 69.3 percent of total revenue from games of chance.” (Internal citation omitted). The USCC *Annual Report* notes that “Although junket promoters are licensed in Macau, VIP room operators and their affiliates are composed of an extensive network of junket financiers, credit guarantors,²⁹ and other profit participants, which are all unlicensed by Macau’s gaming regulator.”

4. Legal and Regulatory Scheme Governing the Gaming Promoter System

Macau is a civil law (rather than a common law) jurisdiction. Macau has developed a scheme of laws, regulations and procedures governing the conduct of gaming operators, Gaming Promoters, gamblers and regulatory bodies.³⁰ The primary casino regulatory body is the Gaming Inspection and Coordination Bureau (Direcção de Inspeção e Coordenação de Jogos) of the SAR. The Bureau is usually known by its Portuguese acronym, DICJ. This legal and regulatory

²⁸ USCC Transcript (Exhibit 14) (see note 3 *supra*) at 41, 42.

²⁹ MGM has informed the Investigators that it conducts background investigations on the credit guarantors.

³⁰ The legal and regulatory framework continues to evolve. For instance, Macau is presently undertaking a review of its money laundering rules for implementation in 2014.

framework addresses, among other things, the vetting, licensing and monitoring of Gaming Promoters. To this end, the DICJ application form expressly seeks information about the co-ownership and shareholder interests of Gaming Promoter *companies*. Such co-owners are subject to the DICJ's regulatory process, including vetting. *Individual* Gaming Promoters also may apply to be licensed Gaming Promoters. As for the issuance of credit, under Macanese law, concessionaires and sub-concessionaires may grant credit to Gaming Promoters in the form of non-negotiable chips, but may do so only pursuant to a contract approved by the authorities.

As set forth in the USCC *Annual Report*, "Macau first passed legislation requiring financial and gaming institutions to report suspicious transactions in 1998, which was replaced by a revised set of laws in 2006 that criminalized money laundering and required stricter reporting in the gaming sector. The legal reforms in 2006 brought Macau more in line with global anti-money laundering standards. Improvements included reporting requirements for suspicious transactions; customer due diligence procedures intended to prevent gambling by corrupt officials using public funds; and additional record-keeping requirements. However, according to Mr. [Daniel L.] Glaser[, Assistant Secretary for Terrorist Financing at the U.S. Department of the Treasury], multiple deficiencies still exist in Macau's anti-money laundering and counter-terrorist-financing framework, including Macau's refusal to seize stolen money." (Internal citations omitted).

Under the governing laws and regulations, the network of collaborators and subjunket operators behind each Gaming Promoter is not subject to licensing and vetting. Consequently, there may be an increased risk that triads may infiltrate or resume a foothold in Macau's casinos through this collaborator network. On this point, a Macanese government official recently emphasized that it is the role of the Gaming Promoter – not the government - to determine the suitability of the Gaming Promoter's partners. In a discussion with a media representative on whether a known triad member could return to his prior role as a Gaming Promoter following his recent release from prison, the Macau Secretary for Economy and Finance, Francis Tam, commented as follows, according to an excerpt from the *Macau Daily Times* on July 31, 2013:

The Secretary also responded to news reports that the former triad head . . . vowed in an interview to return to the gaming industry after serving a prison term of 14 years and 7 months. He was released last December. The official said the authority has a consistent mechanism for handling applications for working as a junket operator in the gaming sector and would treat all applicants equally and with fairness. He did not specify whether the authority would allow [the triad member] to formally return to the junket trade that he was engaged in before being imprisoned. Asked of the possibility that [the

triad member] could join the gaming sector as a “partner” of junket operators (allowed under the current junket operation system), Tam said he was briefed by the public security department on the relevant regulations and arrangements. He came to the conclusion that the junkets are responsible for screening their “partners.” He stressed that the authority has no plans to amend the current regulations, but would look at how to reinforce the regulations covering the gaming sector overall.

The *Annual Report* characterized the regulatory oversight of VIP rooms, junket operations and affiliates who supply the clients and manage the money as “opaque” and “prone to substantial abuse” (internal citations omitted); cited a 2013 report from the U.S. Department of State that the gaming industry in Macau “relies heavily on loosely regulated gaming promoters and collaborators;” and states that the “grey market nature of Macau’s loosely regulated junket operators and underground banking system raises the possibility for exploitation of casinos by international criminals seeking to launder illicit funds.” The USCC *Annual Report* goes on to remark, however, on the “strict safeguards” implemented by the U.S. casinos operating in Macau when compared against the “loose regulation by China and Macau of third-party junket operators and their affiliates that support the success of Macau casinos [and] present[] considerable risks.”

As detailed above, concerns remain about the potential susceptibility of gaming operations to involvement by unsuitable persons. There has been no suggestion in this investigation that MGM would knowingly associate with unsuitable persons. However, it is with this backdrop that MGM sets its practices with respect to the scope of due diligence it considers to be commensurate with the known risks. It is for the Commission to consider whether MGM’s practices are “responsible business practices in any jurisdiction” within the meaning of the Massachusetts gaming law. See M.G.L. c. 32K, § 12(b)(ii).

C. The Gaming Promoter System at the MGM Macau

The MGM Macau currently has eight Gaming Promoters. In 2012, these eight Gaming Promoters generated gaming revenue approximating ■ percent of MGM Macau’s total gaming revenues and approximately ■ percent of MGM Macau’s profits. Each of these eight Gaming Promoters has its own gaming space within the facility, and in those spaces the Gaming Promoters control an aggregate of approximately ■ table games, mostly baccarat. The size of

each Gaming Promoter's operation varies and ranges in size from approximately [REDACTED] gaming tables to approximately [REDACTED] tables in the Promoters' dedicated rooms.³¹

MGM's eight Gaming Promoters are solely responsible for bringing customers to their respective operations. MGM Macau supplies all of the game personnel, such as dealers and game supervisors, as well as security personnel and surveillance monitoring. However, consistent with Macau's legal and regulatory scheme, the "cage," or financial center of that gaming room, is operated exclusively by employees of the Gaming Promoter. Further, in the VIP rooms, the Gaming Promoter is responsible for anti-money-laundering ("AML") efforts, and each Gaming Promoter designates an AML Coordinator, all consistent with the governing law and regulations. The Gaming Promoters' AML Coordinators, like all employees of the Gaming Promoters, are not licensed by Macau gaming regulators and are not subject to a background investigation by the MGM Macau. Only the principals and owners as disclosed on the licensing application are subject to vetting and licensure by DICJ; however, MGM provides training to the AML coordinators and, as will be discussed more fully below, this investigation shows that MGM has taken steps beyond those required by the regulations to identify ownership interests that go undisclosed in the DICJ application process and to vet the backgrounds of those ownership interests.

Effective June 2013, MGM Macau required the Gaming Promoters' AML Officers, room managers, and all the cage staff to submit Macau Certificate of No Criminal Conviction as part of the ongoing improvement measures to the background investigation process of Gaming Promoters.

[REDACTED] out of [REDACTED] Gaming Promoters at the MGM Macau are paid under a revenue-sharing arrangement wherein MGM Macau receives [REDACTED] of the table win while the Gaming Promoter receives [REDACTED]. Macau's 40 percent tax³² on gaming revenue is paid out of MGM Macau's share, effectively reducing MGM Macau's share to [REDACTED]. In the event of a loss, the parties share the loss in those proportions. MGM Macau collects no rent or other fees from the Gaming Promoters. The

³¹ In addition, the MGM Macau has a large, mass-market gaming floor which it operates typical of U.S. casinos. MGM Macau also operates several high-limit gaming rooms for premium players also typical of U.S. casinos. MGM Macau is responsible for recruiting players to those casino gaming areas, similar to the U.S.

³² Macau's tax on gross gaming revenue is 35 percent. Mandatory contributions to the Macau Foundation, tourism, social security funds, and other similar obligations brings the total tax payable to approximately 40 percent.

alternative arrangement that is followed by [REDACTED] Gaming Promoter is a rolling commission system in which the Gaming Promoter receives [REDACTED] of the total turnover (essentially a percentage of the amount wagered, regardless of win or loss).

The Gaming Promoters are responsible for recruiting and supplying gaming customers to their respective rooms. This is accomplished through collaborators, also known as subjunkets, who will recruit and supply the gambler to the Gaming Promoter. Depending on the size of the Gaming Promoter's operation, there may be multiple levels of collaborators/subjunkets, numbering in the many hundreds or even 1,000.

The MGM Macau extends credit to [REDACTED] of its Gaming Promoters in the form of non-negotiable gaming chips. These non-negotiable chips can only be redeemed at the MGM Macau, and are exclusive to that particular Gaming Promoter's room. The advance from the MGM Macau is extended directly to the Gaming Promoter and secured with a promissory note and the equivalent of a certified check. The amount provided to each Gaming Promoter varies with their ability to repay, but a Gaming Promoter at the MGM Macau may reach a monthly line of credit in the millions of dollars (USD). Although the MGM Macau advances credit to the Gaming Promoter, which is then advanced to the customer through the collaborator distribution system, MGM Macau made clear that it is not involved with the Gaming Promoter-to-customer credit issuance and collection process. Further, although there are internal MGM Macau policies and procedures applicable to the issuance of credit and collection with respect to gaming customers of the MGM Macau mass gaming floor and in the MGM Macau's own high limit rooms, these same MGM policies and procedures are not applicable to gaming customers of the Gaming Promoter rooms.

Investigators met several times with Senior Vice President of VIP Operations, Collections and Markers, Mark J. Whitmore. Whitmore was cooperative and explained the mechanics of the Gaming Promoter system. On July 1, 2013, we conducted a sworn interview of Whitmore and discussed procedures regarding the extension of credit from the Gaming Promoters to their customers. Immediately below are excerpts from the sworn interview conducted by the Investigators with Mark Whitmore, Senior Vice President of VIP Operations, Collections and Markers at the MGM Macau. (See pages 42-51 of the Whitmore interview) (Exhibit 16).

[QUESTION]: Does the MGM Macau financially assist gaming promoters in any fashion?

[WHITMORE]: We give them advances in the form of credit.

...

[QUESTION]: What do the Gaming Promoters utilize the non-negotiable chips that are given in this form of credit for?

[WHITMORE]: Well, they are going to utilize it to drive business. When the customer or customers come into their room, it's not unlike our own in-house, VIP in-house. The staff in the junket room that is assigned the marketing duties and responsibilities is going to meet the customer, they are going to negotiate an arrangement, and we will assume for the moment that they negotiate a million dollars in NN chips. They agree to it, they go through whatever process they do within their room to acknowledge that transaction. They then advance from their cage the NN chips for the customer. The customer sits down at the table game and the customer conducts their gaming activity. We will say that million dollars is bet through one time. Theoretically at the end of one whole cycle of betting all your NNs you will have about 500,000 in cash chips, junket cash chips, and 500,000 in that specific room operator's NN chips. That customer is going to take those cash chips, hand them off to a Gaming Promoter staff that's known as a rolling clerk that's going to run back to the cage, the cage is going to record that transaction, and they are going to exchange that 500,000 in junket cash chips for 500,000 in NNs. They are going to come back and give those to the customer, the customer continues to bet. That's the cycle. If the customer loses, all the chips go to the house, they go into the table game rack, part of the inventory. So the customer loses the million dollars. The customer now deals with the operator's staff based upon the arrangements they have for repayment.

[QUESTION]: Under the example you just gave, I think you clarified it at the very end, the customer receives the, for the purpose of the example, million dollars in chips?

[WHITMORE]: Right.

[QUESTION]: That would be advanced to him in the form of credit?

[WHITMORE]: It could be – no different than in-house. It could be advanced in credit, based upon front money deposited with them. I think that's the only two that I can think of.

...

[QUESTION]: If a Gaming Promoter, customer desires credit, what is the process for him to receive that credit?

[WHITMORE]: Okay. Gaming promoter and customer, one in the same or two different?

[QUESTION]: No. No. A customer who is entering the gaming promoter room to gamble, if that customer desires credit from the Gaming Promoter, what is the process?

[WHITMORE]: I don't know. The arrangement is between – the arrangement is this, and I will use these by example, a coffee cup and the two water bottles. This is MGM, this is the Gaming Promoter, the middle bottle, end bottle is the customer (indicating). The relationship is MGM to the middle bottle, the Gaming Promoter. We don't deal directly with the customer. So the arrangement between the Gaming Promoter and the customer, I don't know. I only know between the MGM and the Gaming Promoter.

[QUESTION]: So if credit is given to the customer by the junket promoter based on money that MGM has given to the promoter for issuance of credit, and hypothetically the customer goes bad, then that debt is basically – has to be incurred in loss of commissions by the promoter? That's how that's offset perhaps?

[WHITMORE]: My relationship – MGM's relationship is with the Gaming Promoter. I don't know what happens if this guy goes bad, I don't know that. What I know is I look to him to repay me (indicating). The Gaming Promoter repays me. If five of his hundred customers go bad, I don't know that.

...

[QUESTION]: Earlier we discussed the term collaborators.

[WHITMORE]: Yes.

[QUESTION]: To your knowledge, do the collaborators issue credit?

[WHITMORE]: I believe that they may in some cases, and they may not in others. To the best of my understanding, some of them – some of them have their own bank roll, some of them may have some combination of a matching bank roll or something of that nature where they say to the operator, I will put up ten million, you advance me five or ten million, a matching basis. That may be quiet possible.

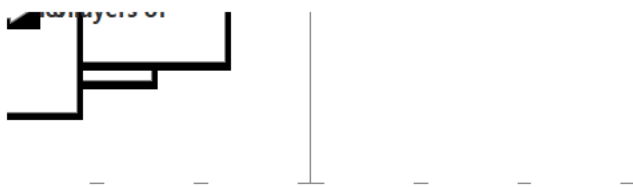
[QUESTION]: Do you know who undertakes collections of the Gaming Promoter customers?

[WHITMORE]: No. I know that I monitor and manage the collections with the Gaming Promoters between the gaming promoter and MGM, but I don't know the process between the operator and the customer.

This credit system as described by Whitmore comports with DICJ regulations. Nonetheless, under these procedures MGM Macau is unaware of the manner in which credit is extended to, and debts collected from, MGM Macau's own customers that game in the Gaming

Promoter rooms. Under this system, MGM Macau has no corporate knowledge of what interest rate, if any, is charged or the manner in which debt collection is undertaken in jurisdictions that do not recognize gambling debts as legally enforceable obligations. The USCC *Annual Report* cites a 2007 University of Nevada study which states, “The extent to which extra-legal means of debt collection (i.e., threats, intimidation, violence, induced crime such as embezzlements, etc.) occurs is an obvious concern for regulators, especially those from outside Macau that oversee companies which are concession or subconcession holders in Macau.”

For an illustration of the MGM Macau-Gaming Promoter-Customer credit relationship, see chart below:



Investigators examined the due diligence employed by MGM Macau in determining whether a particular Gaming Promoter is a suitable business associate. Investigators made a series of Document Requests to MGM Resorts International seeking specific information necessary to conduct a thorough review, including requesting a complete copy of the entity due diligence file on each Gaming Promoter (See the Investigators’ February 11, 2013, Initial Entity Document Request List, Exhibit 17). Investigators traveled to the MGM Macau on several occasions between March 2013 and June 2013 in furtherance of this inquiry. Among the

investigative steps undertaken during those visits, we (1) met with senior executives of the MGM Macau, including CEO Grant R. Bowie, Vice President of Legal and Administrative Affairs Antonio Menano, Director of Compliance Vincent Tong, and Director of Finance/Anti-Money Laundering Coordinator Susan Chan; (2) reviewed selected Gaming Promoter due diligence files on-site; (3) interviewed James Lisle, then a consultant to the MGM Macau and retired Hong Kong police expert on Triads, currently Vice President of Global Security for MGM Macau; (4) interviewed Larry A. Mefford, the retired Executive Assistant Director of the Federal Bureau of Investigation, who was initially a consultant to MGM Macau and during the timeframe of this investigation became MGM Resorts International's Senior Vice President of Global Security (Mefford is a qualifier in this application); (5) met with all three members of the MGM Grand Paradise Compliance Committee; (6) attended the April 26, 2013, meeting of the MGM Grand Paradise Compliance Committee; (7) obtained sworn statements of CEO Grant R. Bowie, Senior Vice President of VIP Operations, Markers and Collections Mark Whitmore; Director of Compliance Vincent Tong, and Anti-Money-Laundering Coordinator Susan Chan regarding relevant issues; (8) conducted interviews of the principals of each of the eight Gaming Promoters currently operating at the MGM Macau (see Exhibit 18), and (9) conducted a thorough examination of on-site financial records relating to the MGM Macau-Gaming Promoter business relationship. Investigators also met with law enforcement officials in Hong Kong, including the Federal Bureau of Investigation Legal Attache, and with Manuel Joaquim das Neves, Director of the DICJ".

Investigators discussed the manner in which Gaming Promoters are recruited and vetted [REDACTED] and explored under what circumstance MGM Macau would terminate the agreement with a Gaming Promoter. [REDACTED] is responsible for all Gaming Promoter operations at the MGM Macau, and indicates he holds initial conversations with a prospective Gaming Promoter and that these conversations are extremely critical prior to going through the engagement/vetting process for two main reasons. The first reason is that there are individuals who believe that they would qualify from an operational standpoint (i.e., with established number of players, sufficient bankroll, etc.) but are found unqualified during the MGM background process, resulting in a waste of valuable time and energy. The second reason is the integrity and reputation of the person that must be seriously considered at the outset because it would be much easier to not to

engage someone early on rather than to have to terminate the contract at a later time. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

After the initial contact with the prospective Gaming Promoter, if [REDACTED] decides to pursue the relationship further, the individual will be vetted as follows:

1. The prospective Gaming Promoter will be pre-screened by MGM Macau management, the Compliance Committee and MGM Resorts corporate legal counsel. If approved, the application is advanced to the background investigative team, with a copy of the MGM Macau application with disclosure to the Macau gaming authorities.
2. The applicant's background check is performed to include public and in-house database search and obtaining available intelligence regarding the individual. According to information provided from the MGM Macau in the form of a PowerPoint presentation, the following areas are examined:

- Criminal Record Check of subject individuals in related country(s)
- Database/Media Search conducted by corporate security
- Company Registration check from the Macau Company Registry – Conservatória Dos Registos Comercial e de Bens Móveis

- Intelligence check [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

- Local Database/Media Search
- Litigation check
- Bankruptcy check for subject individuals (if applicable)

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

4. If approved by management and the Compliance Committee, the application is then forwarded to the Board of Directors for consideration as to whether to engage the services of the Gaming Promoter, subject to the issuance of a Macau gaming license. If the Board of Directors does not approve the application, the individual is rejected. If approved, the parties execute a declaration of intent.
5. The Gaming Promoter then undergoes a DICJ suitability check. The DICJ suitability review is conducted by the Macau Unitary Police Service. During our meeting with DICJ Director Manuel das Neves, it was unclear as to the extent of review undertaken by the Unitary Police Service. Neither the MGM Macau executives nor the Gaming Promoters we interviewed could describe the extent of the DICJ suitability review.

According to Whitmore, the Gaming Promoter due diligence process is continuing to evolve, and in 2013 a re-screening process was implemented, requiring all Gaming Promoters to be re-screened every four years.³³ MGM Resorts International outside gaming counsel informed Investigators that modifications and improvements to the overall Gaming Promoter due diligence process are underway. We were informed that since the December 2007 opening of the MGM Macau, there has been a turnover of approximately █ Gaming Promoters, mainly due to their failure to meet contractual financial performance standards. According to Whitmore, it is a delicate matter when it comes to terminating a Gaming Promoter, as it is culturally perceived as “losing face,” or disrespect. Therefore, Whitmore stated it is preferable not to commence the relationship at all (hence the initial informal vetting process) rather than to terminate an existing business association.

Investigators do note that on one occasion when a source of MGM’s security consultant on triad activities identified potential undisclosed financial backers of a Gaming Promoter applicant, documentation indicating that this matter was explored by senior management or the Compliance Committee was lacking. The applicant was approved. In MGM Macau’s 2011 investigation into that Gaming Promoter applicant, the security consultant had documented that credible confidential sources indicated to him that the Gaming Promoter applicant had undisclosed individual financial backers with questionable connections. During our visit to the MGM Macau in April 2013, Investigators raised this issue with Chief Executive Officer Grant R.

³³ MGM provided a document prepared by its outside counsel and dated November 15, 2013, describing the licensing scheme for Gaming Promoters and stating that the current regulations require re-screening every six years for Gaming Promoter *Companies* and every three years for *Individual* Gaming Promoters.

Bowie, Director of Compliance Vincent Tong, the three-member MGM Macau Compliance Committee, as well as the security consultant who authored the memo. The security consultant recalled being asked by MGM Macau to dig deeper into the allegations, and when he did the sources' information could not be further corroborated, resulting in no further action or documentation by the security consultant. The security consultant acknowledged that he should have documented the results of his follow-up inquiry for the file. The security consultant also said the request from MGM Macau to him to further inquire was oral, and thus not documented either. The file has now been documented to reflect the chain of events as summarized in this paragraph.

This investigation shows that [REDACTED] Gaming Promoters at the MGM Macau applied to the Singapore Casino Regulatory Authority for licensure, and was denied. Although the DICJ's application asks about license denials, MGM's due diligence process did not reveal [REDACTED] license denial. As part of the Investigators' interviews with the Gaming Promoters, Investigators asked each Gaming Promoter about license denials in other jurisdictions. All denied license denials in other jurisdictions. [REDACTED]

[REDACTED]

The investigation makes clear, however, that MGM Macau does not simply approve all Gaming Promoters regardless of investigative results. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

MGM has made clear to Investigators that it is constantly re-assessing its due diligence practices. MGM also informed Investigators that it has adjusted its due diligence practices in the wake of this investigation and now does more to independently establish the ownership arrangements of Gaming Promoter applicants than just rely on the applicant's self-report of that information on the DICJ application form. Based on conversations with Larry Mefford (the retired Executive Assistant Director of the F.B.I. who was brought on as a consultant to MGM in April 2013 and recently transitioned to a permanent position as Senior VP of Global Security) and with other MGM senior executives, Investigators learned that MGM has initiated additional measures expanding the scope of its due diligence with respect to its Gaming Promoters, [REDACTED] and it is expected that Mefford will continue to spearhead such efforts in the future.

Consistent with DICJ regulations, each contract between the MGM Macau and the Gaming Promoters requires the Gaming Promoter to file with the MGM Macau on a quarterly basis the names of the Gaming Promoter's directors, shareholders, key personnel, collaborators, and in general all individuals who carry out any primary or accessory functions with the Gaming Promoter. Investigators learned from interviews with MGM Macau executives that the MGM Macau collects these lists from the Gaming Promoters on a quarterly basis and provides them to DICJ, as required. MGM Macau does not, as a matter of course, conduct due diligence inquiries into the Gaming Promoters' collaborators/subjunkets, who may number in the many hundreds or even 1,000 for each Gaming Promoter and are generally independent agents used by the Gaming Promoters to recruit and deliver customers and to extend credit and perform collections from customers. Nor are background investigations of these collaborators required under the regulatory scheme. MGM explained that it does not investigate all of the collaborators because the sheer number of them is too great and they are constantly changing, such that even if MGM had the capacity to investigate all of them in the first instance, many of them would have moved on and been replaced by others by the time the background investigation is completed. An alternative approach to investigating *all* the collaborators would be for MGM to rank the collaborators in order of their importance to the Gaming Promoter, for the purpose of investigating the top tier of them, that is, those with the most influence on the Gaming

Promoter's operation. MGM has not elected to rank the collaborators in this fashion for the purpose of investigating the top tier of them. MGM recently informed Investigators that, effective June 2013, MGM Macau required the Gaming Promoters' AML Officers, room managers, and all the cage staff to submit Macau Certificate of No Criminal Conviction as part of the ongoing improvement measures to the background investigation process of Gaming Promoters. Again, these employees of the Gaming Promoter are not subject to licensure or background investigations under Macau's regulations. It bears noting that MGM does provide training for the AML Coordinators in the Gaming Promoter rooms, and that Macau's legal and regulatory scheme mandates certain AML reporting protocols. The AML Policy at the MGM Macau is further discussed in Section V.D.2 of this Report).

None of this is to say that MGM ignores information indicating triad affiliations. Throughout this probity review, MGM executives have consistently been forthright with Investigators in acknowledging the history of triad involvement in Macau's casino industry, as well as acknowledging the legitimacy of ongoing concerns about triad infiltration. This Investigation shows that the MGM Macau is fully compliant with DICJ's regulatory requirements, and that the MGM Macau not only has at times gone beyond the DICJ's requirements but has expressed a willingness to voluntarily adopt additional measures in order to satisfy its own concerns and the anticipated concerns of domestic regulators. It is recommended that the Commission hold an adjudicatory hearing to give MGM the opportunity to satisfy the Commission that its practices in Macau are "responsible business practices in any jurisdiction." See M.G.L. c. 23K, § 12(b)(ii).

D. MGM's Partnership with Pansy Ho

As previously set forth, in the early 2000s, MGM was eager to enter Macau's burgeoning gaming market. MGM was one of 21 bidders for the three casino concessions, but did not receive one when they were awarded in 2002. Soon after, the Macau government made a number of sub-concessions available. MGM had no desire to partner with either Sands or Wynn, and instead MGM considered an opportunity with Shun Tak Holdings to operate under SJM's concession, whose entities are connected to Stanley Ho. MGM abandoned that idea after Nevada regulators raised concerns about Stanley Ho's suitability, given that Stanley Ho had long faced allegations of business ties to persons associated with organized crime. Instead, MGM entered into

discussions with Pansy Ho Chiu-king (“Pansy Ho”), Stanley Ho’s daughter. Pansy Ho was and remains the managing director of Shun Tak. MGM eventually joined with Pansy Ho (as an individual) in an equal joint venture partnership forming MGM Grand Paradise Ltd. In April 2005, the partnership obtained a sub-concession from casino operator Stanley Ho’s (Sociedade de Jogos de Macau SA (“SJM”)) in exchange for a one-time payment of \$200 million (USD). The resultant MGM Macau opened on December 18, 2007.

In 2007, Nevada regulatory authorities issued a finding of suitability for MGM’s association with MGM Paradise Ltd. (Exhibits 23, 24).

In May 2009, the New Jersey Division of Gaming Enforcement issued a “Special Report” on its Investigation of MGM’s joint venture partnership with Pansy Ho. MGM falls under New Jersey’s jurisdiction by virtue of the fact that it is a licensed casino operator there, having a 50 percent interest in the Borgata, in Atlantic City. The Special Report’s stated purpose was to evaluate the MGM/Pansy Ho joint venture “to determine whether this business association negatively affected MGM’s good character honesty and integrity.” The redacted version of the Special Report is a public document and is contained herein as Exhibit 21. The Special Report is discussed in some detail here.

In its Special Report, the NJDGE concluded that Stanley Ho precluded any finding other than that he is unsuitable and noted that MGM’s senior executives conceded Stanley Ho’s unsuitability during the investigation. The NJDGE went on to recommend that Pansy Ho be found unsuitable, mainly out of concerns that she was acting as a front for her father. The NJDGE pointed to the facts that at the time of the joint venture agreement, Pansy Ho had no gaming experience, she previously had participated as a representative of her father’s company in negotiations with MGM, and that 90 percent of her financial contribution to the joint venture derived from her father. Consequently, the NJDGE reasoned that her “susceptibility to her father’s influence and issues of personal suitability render the joint venture with MGM vulnerable to improper associations and influences and compromises MGM’s suitability as a New Jersey licensed entity.” The NJDGE also criticized the manner in which MGM handled its compliance obligations into the proposed joint venture. On this score, the NJDGE Special Report stated that (1) “throughout the process, communications between MGM’s management and its compliance committee were incomplete and untimely, effectively negating the committee’s ability to engage constructively and critically in the company’s entry into Macau”; (2) “MGM

officials failed to keep the committee apprised of the parties with whom it was negotiating”; (3) “MGM failed to share with the committee the due diligence or derogatory information that the company possessed” and (4) “MGM failed to examine the most critical aspect of Pansy Ho’s suitability, namely her ability to finance her contribution to the joint venture and her independence from her father and the companies that he controls.”

Ultimately, the NJDGE recommended that the New Jersey Casino Control Commission find Stanley Ho and Pansy Ho unsuitable, deem Pansy Ho to not be independent from Stanley Ho, find MGM’s due diligence/compliance efforts deficient, and direct MGM to disengage itself from any direct or indirect business relationship with Pansy Ho. The matter has not been subject to a hearing before the N.J. Casino Control Commission. Prior to any determinative action on the matter by the N.J. CCC, MGM entered into a stipulation of settlement with N.J. regulators calling for the withdrawal of its renewal application for a casino license, with no admission of culpability, and requiring the sale by MGM of its 50 percent interest in the Borgata. The terms of the settlement agreement were later amended to allow MGM to re-apply to the N.J. Casino Control Commission for re-licensure in New Jersey. In February 2013, MGM re-applied for licensure in New Jersey, and is thus seeking to re-enter the New Jersey gaming market. That re-application is pending.

There is no dispute about the fact that when MGM was negotiating the 2004 partnership deal with Pansy Ho, MGM did not conduct any investigation into her source of funds for the project; nor did MGM conduct any investigation into whether she was acting independently from her father, whom MGM apparently agreed would not have satisfied the suitability requirements for licensure by U.S. regulators. Also, MGM may have minimized the role and effectiveness of its own Compliance Committee by not presenting to its Compliance Officer and Compliance Committee complete and timely due diligence on the joint venture. On that point, the Compliance Committee was first apprised of the potential for an agreement on February 19, 2004, when Gary Jacobs disclosed the ongoing negotiations, further reporting that a corporate security investigation did not disclose any derogatory information on Pansy Ho. The joint venture agreement was executed June 19, 2004. While a summary of the joint venture was presented to management’s Executive Committee on April 13, 2004, the Compliance Committee was not advised of the agreement until August 21, 2004, despite having held a meeting on May 17, 2004, prior to the consummation of the joint venture. Only notified of the agreement after the

fact, it is doubtful that the Compliance Committee had any opportunity to undertake a meaningful review.

In addition, General Counsel Gary Jacobs served as chief legal advisor to MGM, was a member of the Compliance Committee and had business development responsibilities. He also received a \$700,000 success fee for completing the MGM/Pansy Ho joint venture deal. From a regulatory perspective these may be conflicted functions,³⁴ whereby Jacobs was required to arrange for MGM's entry into the Macau gaming market and then determine the suitability of the chosen partner. Presently, MGM's General Counsel no longer has business development responsibilities.

The view of the NJDGE has not been followed in other jurisdictions. To the contrary, no other U.S. gaming regulator in any jurisdiction where MGM conducts gaming business has raised an objection to the MGM/Pansy Ho partnership. As previously stated, Nevada examined the matter and expressly found the partnership suitable. Michigan and Mississippi regulatory authorities reviewed it and did not deem the association unsuitable. And Maryland recently reviewed it in connection with MGM's application for licensure there, and found MGM suitable, noting that its investigation showed that Pansy Ho is independent of her father both financially and in her business ventures, that there was no evidence of her association with organized crime, nor evidence that the joint venture negatively reflects on MGM's good character honesty and integrity.

Pansy Ho's status as equal joint venture partner changed on June 3, 2011, when MGM China Holdings, Ltd. went public on the Hong Kong Stock Exchange; MGM Resorts International acquired a 51 percent equity interest, and Pansy Ho's interest was reduced to 29 percent. Through sole ownership of MGM Grand Paradise, MGM China Holdings owns the MGM Macau. Pansy Ho and MGM Resorts International CEO Jim Murren share duties as co-Chairs of the MGM China Holdings Board of Directors.

³⁴ See generally, *Managing the Risk of Fraud and Misconduct: Meeting the Challenges of a Global, Regulated and Digital Environment* (by Richard H. Girgenti, KPMG LLP's global lead for Compliance and Monitoring network, and Timothy P. Hedley, KPMG LLC's global lead for Fraud Risk Management network). Also, on November 12, 2012, the US Department Of Justice, in conjunction with the Securities and Exchange Commission, published *A Resource Guide to the US Foreign Corrupt Practices Act*. Contents and practices of effective compliance programs, and a discussion of the importance of risk and transaction size-based inquiries, are contained therein.

The Investigators examined whether Pansy Ho is or has been involved in the gaming operations, whether she has influenced the selection of Gaming Promoters, and whether there have been financial disbursements to her beyond her equity interests. This examination included interviews with senior executives Grant R. Bowie (Chief Executive Officer and President of MGM China Holdings), Antonio Menano (Joint Company Secretary & VP Legal & Administrative Affairs of MGM Macau), Kwong, Yiu Ling (Executive Vice President of Casino Operations)³⁵ and Mark Whitmore (Senior Vice President of VIP Operations, Markers and Collections). In sum, this aspect of the investigation confirmed that Pansy Ho takes part in the required meetings of the Board of Directors but has no day-to-day operational duties and no involvement in gaming, and instead focuses on real estate development, design, marketing, entertainment, special events and “big picture stuff.” This aspect of the investigation also confirmed that neither Pansy Ho nor her representatives are involved in the vetting of junket operators; nor do Pansy Ho or her representatives have any influence over the awarding of (or taking away of) business contracts for Gaming Promoter rooms at the MGM Macau. Although Pansy Ho alone executes all of the agreements with the Gaming Promoters, she apparently does so by virtue of her designation as “Managing Director” of the MGM Grand Paradise S.A., a designation that serves to satisfy a Macanese legal requirement regarding permanent residency in Macau, but only after the unanimous vote of all five members of the Board of Directors. Menano explained and Investigators confirmed through a review of the corresponding resolutions that it takes a unanimous vote of all five Board members before a Gaming Promoter can be approved. This investigation also confirmed that apart from distribution of dividends in accordance with the 2011 and 2012 minutes of the Board meetings, no disbursements were made directly to either Pansy Ho or any entities in which she holds an ownership interest including Bright Elite Holdings Ltd., from the time of the IPO to the present, and further confirmed that the disbursements made for the last two years matched the Operating Agreement between Pansy Ho and MGM. The details and documents supporting this aspect of the investigation are reproduced as Exhibit 22. Finally, the substance of the Prospectus issued during its IPO is consistent with the

³⁵ Kwong has long been involved in the Macau gaming industry, having started work with STDM (Stanley Ho’s casino company when it held the Macau monopoly concession) in 1975. He rose up the ranks to become a highly respected gaming managers working with STDM. From 2003 to 2007 he managed the Landmark Casino hotel in Macau and reported to management at SJM. After retirement from the casino industry he was contacted by Cy Wong (who is a Board member representing Pansy Ho’s interest) and asked to consider joining the MGM Macau, which he did.

interviews and documentary review on this aspect of the investigation, as it states in relevant part:

We operated as a joint venture prior to the Global Offering with Pansy Ho, both individually and through her operating entity, Grand Paradise Macau Limited, acting as our local partner. The expertise, local market knowledge and marketing efforts of Pansy Ho have played a significant role in the development and success of MGM Macau and if we were to lose the services of Pansy Ho or if she were unable to devote sufficient time or attention to our business, our business, financial condition and results of operations may be adversely affected.

1. Interview of Pansy Ho

On June 19, 2013, investigators conducted an unsworn interview of Pansy Ho to explore the origination of Pansy Ho's involvement with MGM Resorts International, and to discuss both her historic and current roles in the operation of the joint venture partnership.

Initially, Ms. Ho provided investigators with a general overview of her personal background as well as her current roles as Chairperson of MGM China Holdings Ltd. and Managing Director of MGM Grand Paradise Ltd., as well as her role as Managing Director of Shun Tak Holdings in Hong Kong.

Regarding her involvement with contact between MGM executives and her father (Stanley Ho) in 2001, Ms. Ho stated that early in the process she went to Las Vegas with her father to meet with MGM executives but she was personally unaware of the purpose of the initial trip. At the time of this meeting in 2001, Ms. Ho was involved in Shun Tak Holdings and had no experience at all in the casino industry. According to Ms. Ho, it was during this Las Vegas meeting that she became aware of efforts between her father and MGM to partner in Macau. Shortly after this meeting in Las Vegas, it became apparent to her that the partnership between her father and MGM was not going to come to fruition. Ms. Ho stated that she ultimately thought that she, in her capacity with Shun Tak Holdings, could obtain a separate concession (license) and potentially partner with MGM in Macau. Ms. Ho emphasized to investigators that from that point forward, she operated on her own and without her father's influence or involvement during and after this initial proposal involving MGM. She stated that her father wanted to make inquiries with the Macau government about this sub-concession but that she, through her own contacts, initiated contact with Macau governmental authorities in the hopes of obtaining the sub-concession and partnering with MGM.

Pansy Ho's statements to Investigators as to her minimal involvement in the nascent MGM-Stanley Ho relationship are consistent with her testimony before the Nevada Casino Control Commission on March 23, 2007. (Exhibit 24). Her statements in these regards are inconsistent with what is contained in the New Jersey Division of Gaming Enforcement's May 2009, Special Report. The matter has not been the subject of an adjudicatory hearing in New Jersey. That Special Report cites testimony from MGM Senior Vice President of Far East Marketing Phillip Wang that early on in the process Stanley Ho advised him that "from now on I want you to start the discussion and my daughter Pansy Ho will be my representative negotiating with you." The NJDGE reports that MGM CEO Terry Lanni also recalled Stanley Ho's designation of Pansy Ho as his representative. Further, according to the NJDGE report, Ms. Ho herself testified that considering her position as managing director of Shun Tak (Stanley Ho's company), she would be representing Shun Tak, and not SJM, in the negotiations. Ms. Ho emphasized several times during the interview with the Investigators here that she viewed the potential for partnership with MGM as her opportunity, and other than her father's involvement at the outset, he was not involved at all in the process as it moved forward. She also asserted that she never spoke to him about the particulars of the MGM agreement or developments.

Ms. Ho admitted to the Investigators that she had no experience in the gambling aspect and that her focus was on non-gaming related areas and government relations. She also acted as lobbyist and strategic partner for MGM with officials in Macau as well as the central government of the People's Republic of China, and she used her experiences to assist MGM in developing mainland Chinese customers. Ms. Ho stated that she was also involved in the recruitment of key personnel at the very start. Ms. Ho stated that from the outset, she primarily dealt with Gary Jacobs, Terry Lanni, Kenneth Rosevear and Bill Hornbuckle from MGM Resorts International. She also stated that she always attended the Board of Director meetings of MGM China Holdings, and her other seat on the Board was occupied by C.Y. Wong. She recalled not being physically present at one Board of Director meeting but did conference call in on that occasion. She also stated that she has not had anyone attend MGM related meetings in her place.

Ms. Ho was asked to describe her involvement in the Gaming Promoter recruitment and/or operations, and she indicated that she was not involved at all in this process and that this area, including due diligence efforts, was handled by MGM Macau's Senior Vice President Mark Whitmore. Mr. Whitmore conducted all the final interviews before it was sent back to the Board

for final approval. Ms. Ho indicated that the primary concern about the Gaming Promoters was their “credit worthiness.” When asked if her father, Stanley Ho, had assisted her at all in the recruitment or facilitation of Gaming Promoters from his casino operations, Ms. Ho replied that he did not offer any assistance in this area and she questioned why he would do that as he would not want to give her his good people.

Ms. Ho stated that initially, for approximately one year, she was involved in the authorization of credit for their in-house VIP operations but that had ceased after the first year or so. Ms. Ho stated she was also involved in the following business decisions of the MGM Macau:

- In 2007-2008, she would authorize all credit above [REDACTED] but that changed after 2008.
- She also signed documents and payments as Managing Director for the following two areas based on Macau legal requirements;
 - Any documents relating to construction.
 - All Gaming Promoter contracts.

The current list of licensed Gaming Promoters for MGM Macau was reviewed individually with Ms. Ho. She stated that she was not involved at all in the recruiting or selection of these operators and did not involve herself in these matters at all, leaving those duties to other MGM Macau personnel. Ms. Ho stated that she does not know any of the Gaming Promoters personally and has had only limited encounters with two of them, one as a past gaming customer and the other on a limited social level. A third Gaming Promoter owner was known to Ms. Ho but also on a limited basis.

Ms. Ho advised Investigators that she does not receive any revenue directly or indirectly from any Gaming Promoter. In discussing the extension of credit by MGM Macau to the Gaming Promoters, she stated that loans to Gaming Promoters are to assist them when they run low on cash or to avoid tardiness on payments to MGM Macau. She stated that these loans were not extended to the Gaming Promoters for them to provide loans to customers. Based on our discussions with other MGM Macau executives, loans are in fact provided to the Gaming Promoters for the purpose of providing loans to the customers. Ms. Ho further indicated that the loan process was handled by MGM Macau Finance Committee and overseen by the President. Looking forward, she indicated that her goal is to build their own base of customers and not use Gaming Promoters in the future, but opines that it will take time.

Pansy Ho confirmed she is the alternate chair of the Board of Directors (with James Murren) but never had a problem or deadlock they could not eventually resolve even though MGM dominates the Board. She stated that she is primarily involved in non-gaming aspects of the company that service the casino or ancillary businesses like the Macau ferry and airline. CEO Grant Bowie, who Ms. Ho stated was involved in recruiting, oversees the casino operations whereas she is more strategic and involved in the design and hospitality areas of the business as well as acting as a liaison to necessary governmental entities.

We discussed her marketing company Bright Elite Holdings, which she indicated was managed by C.Y. Wong and that it does not do any casino business at this time.

Currently, Ms. Ho stated that she is heavily involved in the new MGM Cotai project focusing on governmental relations pertaining to the project. She anticipates primarily being involved in areas pertaining to retail, food and beverage and non-gaming design. Looking forward, she believes that the revenues attributed to the development of non-gaming business and activities will increase.

Ms. Ho was asked how she and the MGM Macau would address our concerns relative to organized crime/triad involvement. She replied that the open structure of MGM Macau, including its place on the Hong Kong Stock Exchange, and the fact that they are not dominated by a single decision maker but rather independent executives are areas of strength and that there is no interest in going back to the traditional ways of operating.

E. MGM Grand Paradise Compliance Plan and Committee

The MGM Resorts International Compliance Plan applies to all affiliates of the Company, with certain exceptions. By definition of “affiliate,” the Plan does not apply to any publicly traded company (or its affiliates) of which the Company has an interest, regardless of whether that interest is controlling³⁶. Thus, the Plan does not extend to the MGM Macau operation, part of MGM Grand Paradise Limited, a subsidiary of publicly traded MGM China Holdings. Instead, the MGM Macau is governed by the Compliance Plan of MGM Grand Paradise Limited.

In response to our request for its current Compliance Plan (“the Plan”), MGM Grand Paradise Limited initially provided the Compliance Plan dated February 7, 2007. Since that time, the Plan has been updated. The amended version was adopted on August 15, 2013. The Plan is similarly structured to parent company MGM Resorts International’s plan, with modified definitions of materiality and other terms consistent with the relative size of MGM Grand Paradise. A Compliance Officer is charged with administering the Plan. The Plan calls for “no more than four” independent members. If none of them is familiar with Macau regulations, the Committee may retain the services of outside legal counsel. William Urga, an attorney and a former Nevada Gaming Commission member, is a common member of the MGM Resorts International Compliance Committee and the MGM Grand Paradise Limited Compliance Committee. The other two members are John F. O’Reilly (a Nevada-based attorney with a focus on gaming law who was the former Chair of the Nevada Gaming Commission)³⁷ and Scott Scherer, an attorney who formerly served as a member of the Nevada Gaming Control Board and a Supervising Deputy Attorney General of the Nevada Attorney General’s Office).

Some of our investigators attended the April 26, 2013, regularly scheduled meeting of the MGM Grand Paradise Compliance Committee, held on site at the MGM Macau, and found the meeting professional, appropriately topical, with the three Committee members as well as all attendees engaged in the process. In addition to the Committee, attendees from the MGM Macau included Grant Bowie, CEO; Antonio Menano, Joint Company Secretary and Vice President of

³⁶ The Nevada Gaming Control Board approval of the revision of the Plan adopting this definition requires MGM Resorts International to maintain the MGM Macau Compliance Plan and provide quarterly reports to the MGM Resorts International Compliance Committee.

³⁷ Mr. O’Reilly previously served as Nevada counsel to Pansy Ho in the 2007 special meetings before the Nevada Gaming Control Commission.

Legal and Administrative Affairs and Compliance Officer; Susan Chan, AML Coordinator; Vincent Tong, Director of Compliance and Deborah Yang, outside counsel specializing in Foreign Corrupt Practices Act matters. John McManus, MGM Resorts International General Counsel, also attended, as is his practice.

The afternoon prior to the meeting consisted of a presentation to the Committee by local counsel on the parameters of the Macau Data Protection Act. According to General Counsel John McManus, prior to each regularly scheduled meeting a similar topical presentation/discussion occurs. Prior to this presentation we informally interviewed the three MGM Grand Paradise Limited Compliance Committee members, who expressed satisfaction with the Plan and process, particularly the independent structure of the Committee.

1. Anti-Corruption Guidelines – MGM China Holdings

MGM China Holdings has written Anti-Corruption Guidelines, contained in a 14-page document that is made available to employees.³⁸ We have reviewed the Guidelines, and they appear comprehensive, containing clear definitions, examples, disciplinary consequences, and a telephone hotline for reporting violations. Also contained within are summations of the Company's International Casino Marketing Anti-Corruption Program (designed to create an "ethical wall" between casino marketing staff and casino development staff responsible for business development so complimentaries properly provided to casino customers who are also government officials are not improperly mischaracterized) and a "Non-S.A.R. Anti-Corruption Third Party Probity Program" (designed to pursue background investigations when necessary on staff who work with or retain vendors or third parties operating outside the Macau, and Hong Kong, Special Administrative Regions).

³⁸ The "Acknowledgment of Compliance with Policy" from the document states: "We require all personnel at the level of Vice President and higher to acknowledge their adherence to this Policy upon hire and annually thereafter. The form of acknowledgment must be satisfactory to us. The principles reflected in this Policy will also be set forth, in whole or in part, in each of our various employment manuals, and as such, will constitute a part of the terms and conditions of your employment. Upon hire, we require you to acknowledge in writing your agreement to abide by the terms and conditions set forth in the employment manual of the hiring entity."

2. Anti-Money-Laundering Policy – MGM Macau

The MGM Macau has written Anti-Money Laundering Policy and Controls contained in a 21-page document, last updated February 7, 2012. These Internal Control Standards apply to cash and non-cash transactions between a patron and an employee of MGM Macau; thus they do not apply to Gaming Promoters. In that sense, there are two anti-money laundering control systems at the MGM Macau: one used on the mass gaming floor and the high limit areas operated solely by the MGM Macau, and the other applicable to the Gaming Promoter rooms which produce the majority of revenue and ■ percent of the profit at the MGM Macau.

The Policy and Controls describe the triggering mechanisms for the filing of High Value Transaction Reports (known as “ROVES,” similar in structure to US federally mandated Currency Transaction Reports) as well as Suspicious Transaction Reports (similar to US federally mandated Suspicious Activity Reports). Training guidelines for employees are set forth, Internal Audit responsibilities defined and Multiple Transaction Log procedures are among topics discussed.

Investigators learned from their visit to the MGM Macau and from discussions with Susan Chan, the AML Coordinator, that an AML Compliance Committee exists and meets monthly to discuss relevant issues. These meetings do not include the Gaming Promoter AML Coordinators. Agenda items often include but are not limited to statistical analysis of ROVES and Suspicious Transaction Reports, discussion on Politically Exposed Persons, review of Policy and Procedures, training and AML audits. The committee members consist of: VP of Finance & CFO; Company Secretary & VP of Legal and Administrative Affairs; Sr. VP of VIP Operations, Marker & Collections; VP of Security & Safety; Executive Director of Cage Operations; Executive Director of Surveillance; Director of Finance & AML Compliance Officer; and Asst. Director of Compliance.

The MGM Macau undertakes training of Gaming Promoter AML Coordinators. The training was described to Investigators as occurring in a one- to two-hour time block. The MGM Macau AML Policy and Controls appear sufficient, however, they do not apply to the Gaming Promoters, who process more revenue through their privately operated cages than MGM Macau does through theirs. The MGM Macau reviews the High Value Transaction Reports (ROVES) submitted by the Gaming Promoters for completeness before transmitting them to DICJ in accordance with Macau’s regulatory requirements, and also performs a statistical analysis of

them. On November 19, 2013, MGM informed Investigators that it expects its Gaming Promoters to file ROVEs on ████████ of total turnover, which is ████████ more than the standard expected by DICJ. MGM also informed Investigators that in 2012, its Gaming Promoters achieved an overall ROVE reporting ratio of ████████, and through July 31, 2013, the overall reporting ratio was ████████. Investigators have not had the opportunity to independently verify these statistics. Also on November 19, 2013, Investigators received from MGM a document entitled “MGM Macau AML Compliance Overview,” which is included as Exhibit 25.

During her sworn interview on June 29, 2013, Susan Chan, Director of Finance and AML Coordinator at the MGM Macau, told Investigators that MGM Macau did not see the Suspicious Transaction Reports produced by the Gaming Promoters in accordance with Macau regulations, as they are sent directly by the Gaming Promoters to the Financial Intelligence Bureau pursuant to regulatory requirements. A review of the Gaming Promoter Agreements between the Gaming Promoters and MGM Grand Paradise S.A., Clause 3.2, (e) requires the Gaming Promoters to “submit to MGPL (the MGM Grand Paradise) all STR’s (Suspect Transaction Reports) no later than the second day following completion of the transaction(s) concerned.” Thus, although MGM has had the contractual right to see the STRs filed by its Gaming Promoters, it has not been doing so. MGM has informed Investigators that if MGM Macau employees observe suspicious activity in a Gaming Promoter’s room, the MGM Macau will independently file an STR. According to the 2012 Annual Report of the Macau Financial Intelligence Office, the gaming sector in Macau filed 1,328 STRs in 2012. The MGM Macau has notified Investigators that it filed ████████ of those 1,328 STRs, or ████████ of them. Investigators have not been able to verify how many, if any, of those STRs were based on activity in MGM’s Gaming Promoter rooms as opposed to the mass gaming or VIP rooms under MGM’s control. MGM has provided documentation to show that it filed STRs on activity in its Gaming Promoter rooms on ████████ occasions in 2013. Immediately below are excerpts from the sworn interview conducted by the Investigators with Susan Chan, Director of Finance and AML Coordinator at the MGM Macau. (See pages 5-17 of Chan interview) (Exhibit 26).

[QUESTION]: Am I correct that, among your duties, you’re the person in charge of overseeing anti-money-laundering efforts at the MGM Macau?

[CHAN]: Yes. I’m also the designated AML compliance officer.

[QUESTION]: Have you been so designated since the commencement of the MGM operations in 2007?

[CHAN]: Yes.

[QUESTION]: And have you undergone specialised [sic] training on the subject of anti-money-laundering?

[CHAN]: Yes. A lot of our AML compliance is similar to what we do in Vegas. In fact, the Vegas team have come to Macau to help us set up the anti-money-laundering process and procedures, and the controls. Since that time, I have also received my certificate of anti-money-laundering specialist and have gone through the anti-money-laundering classes as provided – related to that certification.

[QUESTION]: And whom – what agency issued ...

[CHAN]: That is ...

[QUESTION]: ... the certificate?

[CHAN]: ... the – the association is called the Association of Certified Anti-Money Laundering Specialists.

[QUESTION]: Is that in the United States or is that abroad?

[CHAN]: It's a worldwide agency.

...

[QUESTION]: I believe you indicated that there are training courses that the anti-money-laundering compliance officers attend. Is that ...

[CHAN]: Training as provided by MGM Macau, yes.

[QUESTION]: Right. Can you tell us the extent of that training? And, for example, how long does the training last?

[CHAN]: The training usually lasts about an hour to two hours. It's a full-fledged training in that we go over what is a cash-in activity, what is a cash-out activity, what is required of them by DICJ and MGM Macau, the reports that they need to file. During that training, we also mention STRs and it is their obligation to file STRs with the Financial Intelligence Bureau, and that they need to, as far as the ROVE is concerned, that those need to come to MGM Macau compliance team twice a month.

[QUESTION]: Do you know why there is a different path for delivery of the STRs versus the ROVEs; in other words, ROVEs are funnelled through MGM for delivery to the authorities, correct?

[CHAN]: Correct.

[QUESTION]: But, when a Gaming Promoter fills out a STR, they deliver that directly to the authorities; correct?

[CHAN]: Yes.

[QUESTION]: Do you know why there is a different delivery mechanism?

[CHAN]: Well, first of all, the ROVE goes directly to DICJ, which is the gaming regulators. The STR itself goes to, directly – goes directly to the Financial Intelligence Bureau and that is our own – our dealing with the Financial Intelligence Bureau are mainly STRs.

[QUESTION]: I believe you stated, when a ROVE is filled out, that goes to the MGM ...

[CHAN]: To MGM and, from MGM, they go to the DICJ, which are the gaming regulators.

[QUESTION]: And, when an STR is filled out by a Gaming Promoter, does it go through MGM?

[CHAN]: No, it goes directly to the Financial Intelligence Bureau.

[QUESTION]: If you know – do you have any idea why there is a separate delivery system for a ROVE versus an STR?

[CHAN]: No.

[QUESTION]: When MGM receives the ROVEs from the Gaming Promoters, what is the extent of your review of those ROVEs?

[CHAN]: Since we do not have access to the Gaming Promoter books, all we can do is review the ROVE to determine if informations are filled out correctly or completely, i.e. is their name missing, ID missing, birth date missing, and, other than that review, we would also do the statistical analysis on the ROVEs, the junket ROVEs.

[QUESTION]: So, aside from the statistical analysis, the review, essentially, makes sure all the boxes are filled in on the – the form's completely filled out?

[CHAN]: Yes.

Subsequent to the Interview with Chan, the Investigators were informed that MGM gave written notice to its Gaming Promoters during the week of November 20, 2013 that they are required to provide to MGM Macau copies of their STR filings. Reviewing suspicious transaction reports internally could assist the MGM Macau in verifying that its Gaming Promoters are compliant with anti-money-laundering laws and regulations.

The Investigators' review of the anti-money-laundering control systems at the MGM Macau show that there are two separate systems in place. The one used on the mass gaming floor and the high limit areas operated solely by the MGM Macau is a tightly monitored system that is well-designed to identify and thwart money-laundering activities. The other applies to the

Gaming Promoters, whose [REDACTED] gaming tables produce the majority of revenue at the MGM Macau. MGM recently informed Investigators that, effective June 2013, MGM Macau required the Gaming Promoters' AML Officers, room managers, and all the cage staff to submit a Macau Criminal Record Certificate as part of the ongoing improvement measures to the background investigation process of Gaming Promoters.

VI. Financial Suitability Review of MGM Resorts International

We conducted a financial suitability investigation of Blue Tarp reDevelopment LLC in connection with its application for a Gaming License to develop and operate a destination casino resort in Massachusetts. As noted, Blue Tarp reDevelopment LLC was originally formed on February 23, 2012, and later acquired by MGM Resorts International on August 30, 2012. MGM has 99 percent ownership in and is the holding/parent company of the applicant; the remaining 1 percent ownership interest of the applicant is held by Paul C. Picknelly.³⁹ Blue Tarp is a newly formed company; it has limited assets-primarily land and land options. As such, the focus of this review will be on the financial suitability of MGM Resorts International.

A. Background

During our probity review we met numerous times with executives of MGM Resorts International, commencing in January 2013. On June 26, 2013, at MGM Resorts International's corporate office in Las Vegas, we met with Daniel D'Arrigo (Executive Vice President, Chief Financial Officer and Treasurer); James Freeman (Senior Vice President/Capital Markets & Strategy); Michael Mathis (Vice President/Global Gaming Development) and Jacob Oberman (Director of Global Gaming Development), regarding the MGM Resorts International project in Springfield. According to D'Arrigo, the Springfield site was selected over other locales as the proposed location for its casino is due to the site being located in the heart of downtown Springfield and amenable to urban revitalization.⁴⁰ [REDACTED]

³⁹ Paul C. Picknelly, is deemed an individual qualifier by the Massachusetts Gaming Commission. The financial suitability of Picknelly is contained elsewhere in this Report.

⁴⁰ Details of the site selection process have been set forth in the Report section on Blue Tarp reDevelopment, *supra*.

████████████████████ The financial impact study relative to the Springfield site is discussed under the Market Assessment and Revenue Projection section of this report.

1. Initial Capitalization

During the June 26, 2013, meeting at MGM Resorts International's corporate office in Las Vegas, Chief Financial Officer Daniel D'Arrigo advised that MGM Resorts International is planning an \$800 million casino on approximately 15 acres in downtown Springfield and the financing would come from a \$1 billion credit facility and cash flow from operations. D'Arrigo further asserted that \$1.2 billion has been underwritten as of June 23, 2013. D'Arrigo stated that the credit facility was part of the SEC Form 10K filing for year-end 2012. Our review of the 2012 Form 10K revealed that MGM Resorts International has, as of December 31, 2012, an approximately \$13.6 billion principle amount of indebtedness outstanding, including \$2.8 billion of borrowings outstanding under its senior credit facility. MGM Resorts International had approximately \$1.2 billion of available borrowing capacity under its senior credit facility as of December 31, 2012. A review of 2012 annual report revealed that MGM Resorts International's senior credit facility was further amended in December 2012 and concurrently with the tender offers for all of its senior secured notes discussed below and the issuance of \$1.25 billion of 6.625 percent senior notes due 2021. The amended and restated senior credit facility consists of \$1.2 billion of revolving loans, a \$1.05 billion term loan A facility and a \$1.75 billion term loan B facility. The revolving and term loan A facilities initially bear interest at LIBOR plus 3.00 percent and are subject to credit rating adjustments after six months. The term loan B facility bears interest at LIBOR plus 3.25 percent with a LIBOR floor of 1.00 percent. The revolving and term loan A facilities mature in December 2017. The term loan B facility matures in December 2019. The term A and term B facilities are subject to scheduled amortization payments beginning on the last day of each calendar quarter from and after March 31, 2013, an amount equal to 0.25 percent of the original principal balance. The term loan B was issued at 99.5 percent to initial lenders.

Consistent with the Form 10K filing, MGM Resorts International had approximately \$1.2 billion of available borrowing capacity under its senior credit facility at December 31, 2012. The land and substantially all of the assets of MGM Grand Las Vegas, Bellagio and The Mirage secure up to \$3.35 billion of obligations outstanding under the senior credit facility. In addition, the land and substantially all of the assets of New York-New York and Gold Strike Tunica

secure the entire amount of the senior credit facility and the land and substantially all of the assets of MGM Grand Detroit secure its obligations as a co-borrower under the senior credit facility, initially equal to \$450 million and subject to gaming authority required annual amortization. In addition, the senior credit facility, upon receipt of the necessary gaming approvals with respect to the properties located in Nevada, will be secured by a pledge of the equity or limited liability company interests of the subsidiaries that own the pledged properties. The senior credit facility contains customary representations and warranties and customary affirmative and negative covenants. In addition, the senior credit facility requires MGM Resorts International and its restricted subsidiaries to maintain a minimum trailing four-quarter EBITDA and limits MGM Resorts International's ability to make capital expenditures. Beginning with the quarter ended March 31, 2013, MGM Resorts International and its restricted subsidiaries will be required to maintain a minimum EBITDA of \$1.0 billion. In September 2013, the minimum EBITDA increases to \$1.05 billion for September 30, 2013, and December 31, 2013, with periodic increases thereafter. EBITDA for the trailing twelve months ended December 31, 2012, calculated in accordance with the terms of the senior credit facility was \$1.15 billion. MGM Resorts International was within the limit of capital expenditures in 2012 and is limited to \$500 million of borrower group capital expenditures in 2013.

The senior credit facility provides for customary events of default, including payment defaults, covenant defaults, cross-defaults to certain other indebtedness in excess of specified amounts, certain events of bankruptcy and insolvency, judgment defaults in excess of specified amounts, the failure of any loan document by a significant party to be in full force and effect and such circumstance, in the reasonable judgment of the required lenders, is materially adverse to the lenders, or the security documents cease to create a valid and perfected first priority lien on any material portion of the collateral.

2. Business of MGM Resorts International

MGM Resorts International is a global hospitality company operating a portfolio of destination resort brands. MGM is a Delaware corporation that acts as a holding company and, through wholly owned subsidiaries, owns and/or operates casino resorts. MGM's primary business is the ownership and operation of casino resorts, which offer gaming, hotel, convention, dining, entertainment, retail and other resort amenities. The majority of MGM's revenue is cash-based, through customers wagering with cash or paying for non-gaming services with cash or

credit cards. MGM relies heavily on the ability of its resorts to generate operating cash flow to repay debt financings, fund capital expenditures and provide excess cash flow for future development.

All MGM resorts operate 24 hours each day and every day of the year, with the exception of Grand Victoria (Elgin, IL) which operates 22 hours a day every day of the year. At MGM's wholly owned domestic resorts, the primary casino and hotel operations are owned and managed by MGM. Other resort amenities may be owned and operated by MGM, owned by MGM but managed by third parties for a fee, or leased to third party. MGM does lease space to retail and food and beverage operators, particularly for branding opportunities and when capital investment is not desirable or feasible. MGM also operates many managed outlets, utilizing third party management for specific expertise in operations of restaurants and nightclubs.

MGM Resorts International has two reportable segments that are based on the regions in which it operates: Wholly Owned Domestic Resorts and MGM China Holdings Ltd. ("MGM China"). MGM currently operates 15 wholly owned resorts in the United States. MGM China's operations consist of the MGM Macau resort and casino ("MGM Macau") and the potential development of a gaming resort in Cotai, Macau. MGM Resorts International has additional business activities including investments in unconsolidated affiliates, its MGM Hospitality operations and certain other corporate and management operations. The CityCenter development in Las Vegas is MGM Resorts International's most significant unconsolidated affiliate, which MGM also manages for a fee.

Wholly Owned Domestic Resorts

At December 31, 2012, MGM's wholly owned domestic resorts consisted of the following casino resorts:

1. Bellagio (Las Vegas, NV)
2. MGM Grand (Las Vegas, NV)
3. The Mirage (Las Vegas, NV)
4. Mandalay Bay (Las Vegas, NV)
5. Luxor (Las Vegas, NV)
6. New York-New York (Las Vegas, NV)
7. Monte Carlo (Las Vegas, NV)

8. Excalibur (Las Vegas, NV)
9. Circus Circus (Las Vegas, NV)
10. Circus Circus (Reno, Nevada)
11. Gold Strike (Jean, Nevada)
12. Railroad Pass (Henderson, Nevada)
13. MGM Grand Detroit (Detroit, Michigan)
14. Beau Rivage (Biloxi, Mississippi)
15. Gold Strike (Tunica, Mississippi)

MGM also owns Shadow Creek, a world-class golf course located approximately 10 miles from Las Vegas; Primm Valley Golf Club at the California/Nevada state line and Fallen Oak Golf Course in Saucier, MS.

MGM owns 50 percent of CityCenter, located between Bellagio and Monte Carlo on the Las Vegas Strip. The remaining 50 percent of CityCenter is owned by Infinity World Development Corp⁴¹, a wholly owned subsidiary of Dubai World, a Dubai, United Arab Emirates government decree entity. CityCenter consists of the following:

1. Aria, a casino resort (MGM also receives 2 percent of revenues and 5 percent of EBITDA for the management of Aria)
2. Mandarin Oriental Las Vegas, a non-gaming boutique hotel
3. Crystals, a retail/dining/entertainment district (MGM also receives an annual fee of \$3 million for the management of Crystals)
4. Vdara, a luxury condominium-hotel (MGM also receives 2 percent of revenues and 5 percent of EBITDA for the management of Vdara)

MGM Resorts International has a 50 percent ownership interests in the following:

1. Grand Victoria, a riverboat casino in Elgin, IL. The remaining 50 percent is owned by an affiliate of Hyatt Gaming which operates this property.
2. Silver Legacy, a casino located in Reno, NV. The remaining 50 percent is owned by Eldorado LLC.
3. Borgata, a hotel, casino and spa located in Atlantic City, NJ. The remaining 50 percent is owned by Boyd Gaming Corporation which operates the resort. MGM's interest is held in trust and was offered for sale pursuant to its amended settlement agreement with the New Jersey Division of Gaming Enforcement and approved by the New Jersey Casino Control Commission ("NJCCC"). The terms of the amended settlement agreement previously mandated the sale by March 2014. MGM had the right to direct the sale

⁴¹ The suitability examination relative to Infinity World Development Corp, which is deemed a qualifier by the Massachusetts Gaming Commission, is attached and incorporated herein.

through March 2013 (the “divestiture period”), subject to approval of the NJCCC, and the trustee was responsible for selling the trust property during the following 12-month period (the “terminal sale period”). On February 13, 2013, the settlement agreement was further amended to allow MGM to re-apply to the NJCCC for licensure in New Jersey and to defer expiration of these periods pending the outcome of the licensure process. If the NJCCC denies MGM’s licensure request, then the divestiture period will immediately end, and the terminal sale period will immediately begin, which will result in MGM’s Borgata interest being disposed of by the trustee pursuant to the terms of the settlement agreement.

MGM China Holdings Ltd.

In September 2010, MGM China Holdings Limited, a Cayman Islands company formed by MGM Resorts International, and Ho, Pansy Catilina Chiu King (“Pansy Ho”), that would own the entity that operates MGM Macau, filed a proposed listing application on Form A1 with the Stock Exchange of Hong Kong Limited (“Hong Kong Exchange”) in connection with a possible listing of its shares on the main board of the Hong Kong Exchange. MGM Resorts International received approximately \$192 million from MGM Macau during 2010, which represents a full repayment of MGM Resorts International’s interest and non-interest bearing notes to that entity.

On June 3, 2011, MGM and Pansy Ho completed a reorganization of the capital structure and the initial public offering (“IPO”) of 760 million shares of MGM China on the Stock Exchange of Hong Kong Limited, representing 20 percent of the post issuance base capital stock of MGM China, at an offer price of HK\$15.34 (US1.98) per share. Pursuant to this reorganization, MGM acquired, through a wholly owned subsidiary, an additional 1 percent of the overall capital stock of MGM China for HK\$15.34 per share, or approximately \$75 million, and thereby became the owner of 51 percent of MGM China.

B. Financial Operating Results

The following is an excerpt from the 2012 annual report of MGM Resorts International under “Operating Results – Detailed Segment Information”:

1. Consolidated Net Revenue and Adjusted EBITDA⁴²

Note: MGM has two reportable segments as reported on its 2011 and 2012 audited consolidated financial statements – Wholly Owned Domestic Resorts and MGM China.

in (US\$ thousands)	2012	2011	2010
Net Revenue:			
Wholly owned domestic resorts	5,932,791	5,892,902	5,634,350
MGM China ⁴³	2,807,676	1,534,963	0
Reported segment net revenue	8,740,467	7,427,865	5,634,350
Corporate and other	420,377	421,447	421,651
Total Net Revenue	9,160,844	7,849,312	6,056,001

Total Net Revenue

Total net revenue increased by \$1,272,713,000 in 2012 compared to 2011 (June 3, 2011, to December 31, 2011), driven by a full year of operating results for MGM China as well as improved operating results at the wholly owned domestic resorts.

⁴² Adjusted EBITDA is earnings before interest and other non-operating income (expense), taxes, depreciation and amortization, pre-opening and start-up expenses and gain on certain property transactions. Adjusted EBITDA information is presented solely as a supplemental disclosure to reported GAAP measures because MGM believes these measures are widely used measures of operating performance in the gaming and hospitality industry, and a principal basis for valuation of gaming and hospitality companies.

⁴³ Net revenue for 2012 is for the full year, whereas in 2011, net revenue was generated from June 3, 2011, to December 2012.

Wholly Owned Domestic Resorts

Net revenue in 2012 related to wholly owned domestic resorts increased 0.7 percent compared to 2011 primarily as a result of an increase in gaming revenue and a 2 percent increase in REVPAR (revenue per available room) at the Las Vegas Strip MGM resorts. Net revenue related to wholly owned domestic resorts increased 4.6 percent in 2011 compared to 2010, driven by a 13 percent increase in REVPAR at the Las Vegas Strip MGM resorts.

MGM China

Net revenue related to MGM China was \$2.8 billion in 2012. In 2011, net revenue was \$1.5 billion for the period from June 3, 2011, through December 31, 2011. Net revenues for 2012 represented an increase of 8 percent over MGM Macau's prior full year results, driven by increases in volume for main floor table games and slots of 11 percent and 35 percent, respectively. VIP table games turnover was flat compared to the prior year, while hold percentage was 3.1 percent in the current year compared to 3.0 percent in the prior-year period.

A comparison of net revenues generated by wholly owned domestic resorts as a percentage to total revenue and net revenues generated by MGM China as a percentage to total revenue for 2012⁴⁴ revealed the following:

	In (\$ thousands)	2012	percent to Total Net Revenues
Net revenue generated by wholly owned domestic resorts		5,932,791	65%
Net revenue generated by MGM China		2,807,676	30%
Corporate and other		420,377	5%
Total net revenues		9,160,844	100%

A comparison of Adjusted Property⁴⁵ EBITDA generated by wholly owned domestic resorts as a percentage to total revenue; to Adjusted Property EBITDA generated by MGM China for year 2012 revealed the following:

Adjusted EBITDA	(\$ thousands)	
Wholly Owned domestic resorts	1,325,220	77%
MGM China	679,345	39%
Corporate and Other	(286,166)	-16%
Total Adjusted EBITDA	1,718,399	100%

⁴⁴ This is MGM China's first full year operation.

⁴⁵ MGM uses Adjusted Property EBITDA as the primary profit measure for its reportable segments. Adjusted Property EBITDA is Adjusted EBITDA before corporate expense and stock compensation expense related to the MGM Resorts stock option plan, which is not allocated to each property. Adjusted Property EBITDA is a non-GAAP measure and is not an alternative to operating income, net income and is not an indicator of the company's performance or an alternative to cash flows from operating activities; or a measure of liquidity or any other measure determined in accordance with generally accepted accounting principles.

The above data demonstrate that MGM China's net revenue represents approximately 30 percent of total Net Revenues attributable to MGM Resorts International in 2012 and Adjusted Property EBITDA is 39 percent as compared to total Adjusted EBITDA. This information shows that MGM China's impact on MGM Resorts International's overall financial health is significant, thus warranting a separate analysis of MGM China Holdings Ltd., to include the impact of Gaming Promoter activity as it relates to the overall financial position of MGM Macau. The analysis will be addressed in a separate section of this report titled "MGM China Revenue Impact and MGM Macau Market Segments – Main Floor and High-End."

C. Financial Stability and Financial Integrity

We reviewed the audited financial statements of MGM Resorts International and Subsidiaries which is comprised of the consolidated balance sheets as of December 31, 2012, and 2011 and the related consolidated statements of operations, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2012, 2011, and 2010 and the related notes to the consolidated financial statements.

The consolidated financial statements were audited by the independent CPA firm of Deloitte & Touche LLP ("CPAs") in accordance with the standards of the Public Company Accounting Oversight Board (United States). The CPAs expressed an unqualified opinion with respect to the consolidated financial positions of MGM Resorts International and subsidiaries as of December 31, 2012, and 2011, and the results of its operations and its cash flows for each the three years in the period ended December 31, 2012, in conformity with accounting principles generated accepted in the United States of America. The CPAs also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), MGM's internal control over financial reporting as of December 31, 2012, based on the criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and the CPA's report dated February 28, 2013, expressed an unqualified opinion on MGM's internal control over financial reporting.

For the three years ending December 31, the company experienced a net loss of (\$1,437,397,000) in 2010; net income of \$3,246,599,000 in 2011 and a net loss of (\$1,616,912,000) in 2012. Below is a summary of our review:

1. Consolidated Statement of Operations

a. Revenues

We noted a year-to-year increase in total revenues between 2010 and 2012 as follows:

(In \$ thousands)	12/31/2012	12/31/2011	12/31/2010
Total revenues ⁴⁶	\$9,160,844	\$7,849,312	\$6,056,001

Comparison of 2012 to 2011

Total revenues increased by \$1,311.5 million, or 16.7 percent, in 2012 as compared to 2011. The increase is primarily attributable to an increase of \$1,316.5 million in casino revenue, an increase of \$41 million in room revenue, an increase of \$46.9 million in food and beverage; offset by a decrease of 3.1 million in other revenue.

Comparison of 2011 to 2010

Total revenues increased by \$1,793.3 million or 29.6 percent in 2011 as compared to 2010. The increase is primarily attributable to an increase of \$1,523.2 million in casino revenue, an increase of \$177.7 million in hotel room revenue, an increase of \$85.6 million in food and beverage; offset by a decrease of \$8.3 million in reimbursement costs and an increase of \$49.9 million in promotional allowances.

b. Operating Costs and Expenses

We noted an increase of total operating costs and expenses between 2012 and 2011 and a decrease between 2011 and 2010 as follows:

In (\$ thousands)	2012	2011	2010
Total operating costs and expenses	\$9,033,936	\$3,883,260	\$7,136,498

⁴⁶ Revenues from casino, room, food and beverage, entertainment, retail, other and reimbursed costs less promotional allowances.

Comparison of 2012 to 2011

Total operating costs and expenses increased by \$5,150.6 million, or 132.6 percent, in 2012 as compared to 2011. The increase is primarily attributable to an increase of \$881.5 million in casino-related expenses, an increase of \$57.3 million in general and administrative expenses, an increase of \$60.1 million in corporate expenses, an increase of \$529.5 million in property transaction costs, and an increase of \$110.5 million in depreciation and amortization; offset by a decrease of \$18.6 million in entertainment-related expenses, a decrease of \$11.3 million in retail-related expenses, and decrease of a \$3,496 million gain in MGM China transaction recognized in 2011 but not in 2012.

Comparison of 2011 to 2010

Total operating costs and expenses decreased by \$3,253.3 million, or -45.6 percent in 2011, as compared to 2010. The decrease is primarily attributable to a \$8.3 million decrease in reimbursement costs, a decrease of \$4.6 million in preopening and startup costs, a decrease of \$1,272.8 million in net property transaction costs, and a gain of \$3,496 million in MGM China transaction recognized in 2011 but not in 2010; offset by an increase of \$1,092.7 million in casino-related expenses, an increase of \$62.7 million in hotel-related expenses, an increase of \$54.6 million in food and beverage-related expenses, an increase of 15.2 million in entertainment-related expenses, an increase of \$11.6 million in other expenses, an increase of \$53.7 million in general and administrative expenses, an increase of \$51 million in corporate expense and an increase of \$183.7 million in depreciation and amortization.

c. Income/(Loss) from Unconsolidated Affiliates

In (\$ thousands)	2012	2011	2010
Income/(Loss) from Unconsolidated Affiliates	(\$46,382)	\$91,094	(\$78,034)

Income and loss from unconsolidated affiliates are off balance sheet arrangements⁴⁷ consist primarily of MGM's investments in CityCenter, Grand Victoria and Silver Legacy.

⁴⁷ MGM has not entered into any transactions with special purpose entities, nor has MGM engaged in any derivative transactions. These unconsolidated affiliate investments allow MGM to realize the proportionate benefits of owning a full-scale resort in a manner that minimizes its initial investment. MGM has not historically guaranteed financing obtained by its investees, and there are no other provisions of the venture agreements which MGM believes are unusual or subject the company to risks to which MGM would not be subjected if it had full ownership of the resort.

d. Operating Income/(Loss)

We noted a decrease in operating income between 2012 and 2011 and a substantial increase between 2011 and 2010 as follows:

In (\$ thousands)	2012	2011	2010
Operating Income	\$80,526	\$4,057,126	(\$1,158,931)

Comparison of 2012 to 2011

The decrease of \$3,976.6 million in operating income in 2012 as compared to 2011 was mainly attributed to the net effect of the difference between total revenues and expenses in the amount of \$3,839.1 million (increase of \$1,311.5 million in total revenues offset by the increase of \$5,150.6 million in total operating costs and expenses); as well as the net effect of a \$137.5 million in loss from unconsolidated affiliates [(-\$46.4 million) in 2012 and +\$91.1 million in 2011].

Comparability between periods was affected by \$708 million of property transactions in 2012 and \$179 million in 2011. In addition, MGM's share of CityCenter residential inventory impairment charges was \$18 million and its share of potential Harmon demolition costs was \$16 million in 2012 compared to CityCenter residential inventory impairment charges of \$26 million in 2011. Additionally, comparability was also affected by the \$3.5 billion gain on the MGM China transaction in 2011. Operating income in 2012 was negatively affected by increased corporate expense and depreciation and amortization. Corporate expense increased 34 percent to \$235 million primarily as a result of additional legal and professional services and as a result of costs associated with development efforts in Maryland and Massachusetts. Depreciation and amortization increased from 2011 primarily from the consolidation of the full year of results of MGM China. Of the \$375 million of depreciation and amortization expense at MGM China in 2012, \$320 million related to amortization of intangible assets recognized in the acquisition.

Comparison of 2011 to 2010

The increase of \$5,216 million in operating income in 2011 as compared to 2010 was mainly attributed to the net effect of the difference between total revenues and expenses in the amount of \$5,046.5 (an increase of \$1,793.3 million in total revenues and a substantial decrease of \$3,253.2 million in total operating costs and expenses) as well as the net effect of a \$169.5

million in gain from unconsolidated affiliates [+\$91.1 million in 2011 and (\$1,158.9 million) in 2010].

Operating income in 2011 benefited from improved results at MGM Macau, CityCenter and other wholly owned domestic resorts and included operating income at MGM China of \$137 million from June 3, 2011, through December 31, 2011. Operating income in 2011 was affected by the MGM China gain, MGM’s share of CityCenter residential inventory impairment charges of \$26 million and \$179 million of property transactions. In 2010, MGM recognized \$166 million for its share of CityCenter residential inventory impairment charges and property transactions were \$1.5 billion in 2010 including \$1.3 billion of impairment charges related to the CityCenter investment and \$128 million related to an impairment for Borgata. In addition, corporate expense increased 41 percent in 2011 primarily as a result of costs associated with the MGM China transaction, transition expenses related to the outsourcing of information systems, additional legal and development costs associated with future development initiatives, costs associated with the implementation of MGM’s new loyalty program. Depreciation and amortization in 2011 increased from 2010 primarily as a result of the consolidation of MGM China. Of the \$221 million of depreciation and amortization expense at MGM China in 2011, \$181 million related to amortization of intangible assets recognized in the acquisition.

e. Non-Operating Income/(Expense)

We noted a year over year increase in non-operating expense between 2012 and 2010 as follows:

In (\$ thousands)	2012	2011	2010
Non-Operating Income/(Expense)	(\$1,814,739)	(\$1,225,515)	(\$1,057,094)

Comparison of 2012 to 2011

The increase of \$589.2 million in non-operating expenses in 2012 as compared to 2011 was mainly attributed to an increase of \$29.5 million in Interest expense, net of amounts capitalized, an increase of \$588.7 in other expense, net; offset by a decrease of \$29 million in non-operating items from unconsolidated affiliates.

Comparison of 2011 to 2010

The increase of \$168.4 million in non-operating expenses in 2011 as compared to 2010 was mainly attributed to an increase of \$10.3 million in non-operating items from unconsolidated affiliates, an increase of \$184.8 million in other expense, net; offset by a decrease of \$26.7 million in interest expense, net of amounts capitalized.

f. Net Income/(Loss) Attributed to MGM Resorts International

Net income/(loss) attributed to MGM Resorts International between 2012 and 2010 is as follows:

In (\$ thousands)	2012	2011	2010
Net Income/(Loss) Attributed to MGM Resorts International	(\$1,767.7)	\$3,114.6	(\$1,437.7)

Comparison of 2012 to 2011

The net loss of -\$1,767.7 million in 2012 as compared to a net income of \$3,114.6 million in 2011 (a net effect of -\$4,882.3 million) attributed to MGM Resorts International in 2012 as compared to 2011 was primarily attributed to a decrease of \$4,565.8 in income before income taxes, a decrease of \$286 million in income tax benefit, and an increase of \$30.4 million in loss attributed to non-controlling interests.

Comparison of 2011 to 2010

The net income of \$3,114.6 in 2011 as compared to a net loss of -\$1,437.7 million in 2010 (a net effect of + \$4,552.3 million) attributed to MGM Resorts International in 2011 as compared to 2010 was primarily attributed to an increase of \$5,047.7 in income before income taxes; offset by a decrease of \$375.3 in income tax benefit, and an increase of \$120.3 million in loss attributed to non-controlling interests.

g. Conclusion relative to Statement of Operations

Overall, it can be concluded that MGM Resorts International has had its share of hardship as a result of the economic downturn in or around 2008 and 2009. However, we conclude that with the marketing efforts and cost cutting measures in place and with increased revenues from MGM China that are likely to continue (provided the current political atmosphere in Macau S.A.R. remains unchanged), as well as the apparent up-turn of the US economy, particularly in the Las Vegas area, MGM Resorts International's overall revenues will improve going forward.

h. 2013 Results

MGM's Operating Results⁴⁸ comparison between the first quarter ending March 31, 2013, and 2012 and six months ending June 30, 2013, and 2012 (contained in detail in the Exhibit Appendix):

(in \$ thousands)	1st Quarter 3-31-2013	1st Quarter 3-31-2012	percent Change	Six Months 6-30-2013	Six Months 6-30-2012	percent Change
Total Net Revenue	2,481,265	2,323,765	+7%	4,833,413	4,611,355	+5%
Total Operating Expenses	2,256,345	2,154,376	+5%	4,323,020	4,236,051	+2%
Income/(loss) from unconsolidated affiliates	6,682	5,986	+12%	23,026	(7,323)	-414%
Operating income	231,602	175,375	+32%	533,149	367,9981	+45%
Total non-operating income /(expense)	(258,315)	(297,113)	-13%	(507,123)	(665,897)	-24%
Income/(loss) before income taxes	(26,713)	(121,738)	-78%	26,296	(297,916)	-109%
Benefit (provision) for income taxes	(3,865)	51,304	-108%	(34,296)	24,175	-242%
Net Loss	(30,578)	(70,434)	-57%	(8,000)	(273,741)	-97%
Less: Net income attributable to non- controlling interests	(62,380)	(75,018)	-17%	(78,412)	(88,964)	-12%
Net loss attributable to MGM Resorts International	(92,958)	(145,452)	-36%	(86,412)	(362,705)	-76%

1st Quarter 2013 v. 1st quarter 2012

A comparison of MGM Resorts International's 1st quarter 2013 unaudited results to the same quarter 2012 shows total consolidated net revenue increased by \$157,500,000, or 7 percent, from \$2,323,765,000 from January through March 2012 to \$2,481,265,000 during the same three-month period in 2013. The net revenue increase was due to an increase in virtually all revenue producing categories, particularly with casino revenue which increased by \$143,961,000, or 11 percent; room revenues increase by \$18,944,000, or 5 percent; offset by other revenue, which decreased by \$4,986,000, or 4 percent, from \$132,900,000 in 2012 to \$127,974,000 in 2013. During this three-month period, total operating expenses increased by \$101,969,000, or 5 percent, from \$2,154,376,000 in 2012 to \$2,256,345,000 in 2013.

⁴⁸ The consolidated statements of operations were unaudited.

Consolidated operating income increased by 56,227,000, or 32 percent, from \$175,375,000 in 2012 to \$231,602,000 in 2013 which was due to increased revenues at MGM's wholly owned domestic resorts and MGM China. Net loss attributable to MGM Resorts International decreased by \$52,494,000, or 36 percent, from \$145,452,000 in 2012 to \$92,958,000 in 2013.

Six months ending June 30, 2013, v. Six months ending June 30, 2012

A comparison of MGM Resorts International's second half (six-month period) ending June 30, 2013, unaudited results to the same period in 2012 shows total consolidated net revenue increased by \$222,058,000, or 5 percent from \$4,611,355,000 in 2012 to \$4,833,413,000 in 2013. The increase was a result of increased of all revenue producing categories, in particular, casino revenue increased by \$210,347,000, or 8 percent, from \$2,634,230,000 in 2012 to \$2,844,577 in 2013; hotel revenue increased by \$26,574,000, or 3 percent, from \$812,386,000 in 2012 to \$838,960,000 in 2013, etc., as economic conditions continue to improve.⁴⁹ The increase in revenues is offset by food and beverage revenue which decreased \$13,715,000, or 2 percent; a decrease of \$6,454,000, or 3 percent, in entertainment revenue and a decrease of retail revenue of 1,255,000. or 1 percent, during the first six-month period ending June 30, 2013, when compared to the same six-month period in 2012.

The current year's second half and prior year's second half results were also affected by non-cash impairment charges of \$37 million and \$85 million, respectively, related to the MGM's joint venture investment in Grand Victoria. In addition, MGM recorded an impairment charge of \$45 million in the current year second half related to corporate buildings that are expected to be removed from service. MGM's planned Las Vegas arena project, of which MGM will own 50 percent, will be located on the land underlying these buildings. Net loss attributable to MGM Resorts International in the second half in 2013 decreased by \$276,293,000, or 76 percent, from \$362,705,000 in 2012 to \$86,412,000 in 2013.

The results of operations at MGM Macau also improved in the second quarter of 2013 compared to the prior year period led by strong gaming volumes. Gross casino revenues for the

⁴⁹ According to the Las Vegas Convention and Visitors Authority, casino revenues increased 3 percent through June of 2013 in the Las Vegas Strip market and average room rate increased 3 percent compared to the same period in the prior year.

Macau market increased 16 percent in the second quarter of 2013, with increases in both high-end (VIP) and main floor volumes.

Overall, it can be concluded that MGM’s net loss has narrowed starting in the first quarter 2013 through and including second quarter 2013 when compared to the same timeframe in the previous year. Additionally, MGM continued to show a strong stockholder’s (net worth) position in its June 30, 2013, unaudited consolidated balance sheets, notwithstanding a slight decrease from year-end December 31, 2012. There is no indication that the company is unable to meet its short or long term debts as shown in the following schedule (Attached as in the Exhibit Appendix):

(in \$ thousands)	2nd Quarter 6-30-2013	Year-End 12-31-2012	Increase/ (Decrease)	percent of Increase/(Decrease)
Total Assets	25,722,137	26,284,738	(562,201)	(2%)
Total Liabilities	17,864,971	18,168,722	(303,751)	(2%)
Stockholders’ Equity	7,857,166	8,116,016	(258,850)	(3%)

2. EBITDA Ratios

EBITDA⁵⁰ can be used to analyze the profitability between companies and industries. Because it eliminates the impact of financing and accounting decisions, using EBITDA provides a good “apples-to-apples” comparison.

MGM uses “Adjusted EBITDA”⁵¹ to compare to other periods when analyzing current results and trends by excluding certain items as they vary significantly depending on specific underlying transactions or event that many not be comparable between the periods being presented. For example, preopening and start-up expenses will be significantly different in periods when MGM is developing and constructing a major expansion project and will depend on where the current period lies within the development cycle, as well as the size and scope of the project(s). Property transactions, net includes normal recurring disposals, gains and losses on sales of assets related to specific assets within MGM’s resorts, but also includes gains or losses

⁵⁰ EBITDA is net income (loss) plus provision for income taxes, less benefit for income taxes, plus losses from discontinued operations, less income from discontinued operations, plus interest expense, less interest income, plus depreciation and amortization, plus loss on impairment and other provisions and plus impairment of equity investment for each period presented.

⁵¹ “Adjusted EBITDA” as used by MGM is earnings before interest and other non-operating income (expense), taxes, depreciation and amortization, preopening and start-up expenses, property transactions, and the gain on the MGM China transaction.

on sales of an entire operating resort or a group of resorts and impairment charges on entire asset groups or investments in unconsolidated affiliates, which may not be comparable period over period.

EBITDA calculation, whether adjusted or not, is a non-GAAP measure and is presented solely as a supplemental disclosure to reported GAAP measures. As such, we will use adjusted EBITDA as a basis to calculate the following ratios in connection with the review of MGM's operating performance.

Adjusted EBITDA as Percentage of Sales (in \$ thousands)

Year	Adjusted EBITDA	Sales	%
2010	930,213	6,056,001	15%
2011	1,556,569	7,849,312	20%
2012	1,718,399	9,160,844	19%

Note: this is a metric used to assess a company's profitability by comparing its revenue with earnings. This metric indicates the percentage of earnings a company keeps after operating expenses. Generally, the higher the ratio, the more efficient the company.

Based on the foregoing, the percentage of Adjusted EBITDA as a percentage of sales remains materially constant throughout 2010, 2011, and 2012.

Company Capital Structure-Expected Leverage (in \$ thousands)

	2010	2011	2012
Adjusted EBITDA	930,213	1,556,569	1,718,399
Total Debt	14,773,465	15,988,965	16,243,591
Expected Leverage Ratio	6.3x	9.74x	10.6x

Note: the higher the ratio, the more cash or capital would be available to cover its debts.

The above shows that the expected leverage ratio remains materially constant from 2010 to 2012, which demonstrates that MGM's cash position is sufficient with which to service its debt payments.

Capital Structure- Interest Coverage (in \$ thousands)

	2010	2011	2012
EBITDA	930,213	1,556,569	1,718,399
Interest Expense	1,113,580	1,086,832	1,116,358
Interest Coverage Ratio	0.8x	1.4x	1.5x

Note: the higher the ratio, the more cash would be available to cover interest payments.

The interest coverage, sometimes referred to times interest earned⁵², indicates that amount of times the interest expense would be covered by the adjusted EBITDA for the

⁵² A metric used to measure a company's ability to meet its debt obligations. It is calculated by taking a company's earnings before interest and taxes (EBIT) and dividing it by the total interest payable. It is usually quoted as a ratio and indicates how many times a company can cover its interest charges on a pretax basis. Failing to meet these obligations could force a company into bankruptcy.

company in each year. The above schedule shows that MGM is producing sufficient adjusted EBITDA beginning in 2011 to service all interest payments.

3. Combined Statements of Cash Flows

MGM Resorts International's reported cash balances have fluctuated in the past three years. In 2012, the cash and cash equivalents balance at year-end was \$1.54 billion; in 2011, the balance at year-end was \$1.86 billion and in 2010, the balance at year-end was \$498.9 million. In December 2011, MGM borrowed an additional \$778 million under its senior credit facility to increase MGM's capacity for issuing additional secured indebtedness. In addition, our cash balance at December 31, 2011, included \$720 million of cash and cash equivalents related to MGM China. As of March 31, 2013, MGM held \$1.48 billion in cash and cash equivalents. (The Combined Statements of Cash Flows is attached in the Exhibit Appendix.)

a. Operating

Net cash provided by operating activities for the three year period under review is as follows:

(In \$ thousands)	2012	2011	2010
Net cash provided by operating activities	909,351	675,126	504,014

Cash provided by operating activities in 2012 includes \$751 million in cash provided by operating activities related to MGM China, which included an increase in cash related to outstanding gaming liabilities. Cash provided by operating activities in 2011 includes \$354 million related to MGM China for the period from June 3, 2011, through December 31, 2011. In addition, increased cash flows at the MGM resorts were offset by lower tax refunds received in 2012 and 2011 as compared to 2010. MGM paid net taxes of \$7 million in 2012, and received net tax refunds of approximately \$172 million and \$330 million in 2011 and 2010, respectively.

b. Investing

Net cash used in investing activities for the three year period under review is as follows:

(In \$ thousands)	2012	2011	2010
Net cash used in investing activities	(446,417)	(21,312)	(586,079)

MGM's cash flows can fluctuate significantly from year to year depending on capital investments in new or existing resorts, business acquisitions or dispositions. Capital expenditure

related to more regular investments in existing resorts can also vary depending on timing of larger remodel projects related to public spaces and hotel rooms.

In 2012, MGM had capital expenditures of \$423 million, which included \$80 million at MGM China. At its wholly owned domestic resorts, capital expenditures included \$95 million of expenditures related to the room remodel at MGM Grand, \$35 million related to the room remodel for the Spa Tower at Bellagio, \$43 million of aircraft acquisition costs and capital expenditures at various resorts including restaurant remodels, entertainment venue remodels and theater renovations. Most of the costs capitalized related to furniture and fixtures, materials and external labor costs. Capital expenditures at MGM China related to the second floor gaming area expansion, other property enhancements and Cotai development activities. In 2011, MGM had capital expenditures of \$301 million, which included \$27 million at MGM China. Capital expenditures related mainly to room remodels at Bellagio and MGM Grand, restaurant remodels, theater renovations, slot machine purchases and a remodel of the high limit slots area at the Bellagio. In 2010, MGM had capital expenditures of \$207 million in 2010 mainly related to enhancements at various resorts and the purchase of an airplane.

MGM made significant investments in CityCenter in each of the past three years. In 2012, 2011, and 2010, MGM made contributions of \$47 million, \$92 million and \$553 million, respectively, related to the completion guarantee. In 2011, MGM made an additional equity contribution of \$37 million. In June 2011, MGM paid approximately \$75 million to acquire an additional 1percent interest in MGM China and acquired cash of \$482 million.

Investing activities includes cash distributions received by the trust holding MGM's 50 percent ownership interest in Borgata and activity related to its investment of such cash in treasury securities while held in trust. The trust did not receive distributions from Borgata in 2012 or 2011. In 2012, the trust received proceeds of \$315 million from treasury securities with maturities greater than 90 days and reinvested \$285 million in treasury securities with maturities greater than 90 days. In 2011, the trust received proceeds of \$330 million from treasury securities with maturities greater than 90 days and reinvested \$330 million in treasury securities with maturities greater than 90 days. In 2010, the trust received \$113 million of net distributions from Borgata, received \$71 million from the sale of ground leases and underlying land, and invested \$150 million in treasury securities with maturities greater than 90 days. In 2010, MGM recognized \$135 million of distributions from unconsolidated affiliates within investing activities

as a return of its investments, which primarily related to MGM Macau. MGM received a total of \$192 million from MGM Macau in 2010, \$59 million of which was recognized as cash flows from operating activities.

c. Financing

Net cash provided/(used) in financing activities for the three year period under review is as follows:

(In \$ thousands)	2012	2011	2010
Net cash provided / (used) in financing activities	(786,959)	711,922	(1,475,178)

In 2012, MGM borrowed net debt of approximately \$364 million, excluding the \$778 million repaid in January 2012 under its senior credit facility. MGM China had no additional significant borrowings or reductions of debt on a net basis during 2012. In 2012, MGM repaid the approximately \$535 million outstanding principal amount of its 6.75 percent senior notes at maturity and issued the following senior notes:

- \$850 million of 8.625 percent senior notes due 2019 for net proceeds of approximately \$836 million;
- \$1.0 billion of 7.75 percent senior notes due 2022 for net proceeds of approximately \$986 million;
- \$1.0 billion of 6.75 percent senior notes due 2020 for net proceeds of approximately \$986 million and
- \$1.25 billion of 6.625 percent senior notes due 2021 for net proceeds of approximately \$1.23 billion.

In addition, using the net proceeds from the \$1.25 billion of 6.625 percent senior notes due 2021 and its amended and restated senior credit facility, together with cash on hand, MGM made an offer to repurchase and funded the satisfaction and discharge of all of the following senior secured notes at a premium for a total of approximately \$3.5 billion:

- \$750 million outstanding principal amount of its 13.0 percent senior secured notes due 2013;
- \$650 million outstanding principal amount of its 10.375 percent senior secured notes due 2014;
- \$850 million outstanding principal amount of its 11.125 percent senior secured notes due 2017 and

- \$845 million outstanding principal amount of its 9 percent senior secured notes due 2020.

MGM China paid a \$400 million dividend in March 2012, of which approximately \$204 million remained within the consolidated entity and approximately \$196 million was distributed to non-controlling interests.

During 2011, excluding the \$778 million MGM Resorts International repaid in early January 2012 on its senior credit facility and repaid \$60 million of net debt in 2011 including \$91 million repaid by MGM China under its senior credit facility for the period from June 3, 2011, through December 31, 2011. MGM issued \$300 million of 4.25 percent convertible senior notes due 2015 for net proceeds of \$311 million, which were used to pay down borrowings under its senior credit facility. In addition, MGM repaid the following senior notes:

- \$325 million outstanding principal amount of its 8.375 percent senior subordinated notes at maturity;
- \$129 million outstanding principal amount of its 6.375 percent senior notes due 2011 at maturity;
- \$6 million outstanding principal amount of its floating rate senior convertible debentures due 2033 in open market purchases and
- \$10 million principal amount of its 6.75 percent senior notes due 2012 and \$22 million principal amount of its 6.75 percent senior notes due 2013 in open market repurchases.

During 2010, excluding the \$1.6 billion MGM repaid in early January 2010 on its senior credit facility, and repaid net debt of \$290 million. MGM issued the following senior secured, convertible senior and senior notes during 2010:

- \$1.15 billion of 4.25 percent convertible senior notes due 2015; we paid \$81 million for capped call transactions entered into in connection with the issuance;
- \$845 million of 9 percent senior secured notes due 2020 and
- \$500 million of 10 percent senior notes due 2016.

MGM also repaid the following principal amounts of senior and senior subordinated notes during 2010:

- \$75 million 8.375 percent senior subordinated notes (redeemed prior to maturity essentially at par);
- \$297 million 9.375 percent senior notes (repaid at maturity) and

- \$782 million of our 8.5 percent senior notes (redeemed \$136 million prior to maturity essentially at par and repaid \$646 million at maturity).

During the fourth quarter of 2010, MGM issued approximately 47 million shares of common stock for total net proceeds of approximately \$588 million. Concurrently with the stock issuance, Tracinda sold approximately 32 million shares of MGM's common stock in the open market of which MGM did not receive any proceeds from Tracinda's transaction.

4. Consolidated Balance Sheets

(In \$ thousands)	December 31, 2012	December 31, 2011	Increase/ (Decrease)
Total Assets	26,284,738	27,766,276	(1,481,538)
Total Liabilities	18,168,732	17,884,054	284,678
Stockholders' Equity	8,116,016	9,882,222	(1,766,206)

(The Consolidated Balance Sheets are contained in the Exhibit Appendix.)

a. Assets

There was a decrease of \$1.481.5 million in total assets from \$27,766.2 million in 2011 to \$26,284.7 million in 2012 due to a decrease of \$322.4 million in cash and cash equivalents, a decrease of \$48 million in accounts receivable, a decrease of \$5.1 million in inventories, a decrease of \$18.3 million in prepaid expenses, a decrease of \$672 million in property and equipment, a decrease of \$191 million in investments in and advances to unconsolidated affiliates; a decrease of \$310.2 million in other intangible assets, and a decrease of \$8.8 million in other long-terms assets; offset by an increase of 88.3 million in deferred income taxes and \$6.2 million in goodwill.

b. Liabilities

There was an increase of \$284.7 million in total liabilities from \$17,884 million in 2011 to \$18,168.7 million in 2012 due to an increase of \$28.6 million in accounts payable, an increase of \$3.3 million in accrued interest on long-term debt, an increase of \$155.2 million in other accrued liabilities, an increase of \$119.1 million in long term debt and \$12.8 million in other long-term obligations; offset by a decrease of \$6.3 million in income tax payable and a decrease of \$28.2 in deferred income taxes.

c. Stockholders' Equity

There was a decrease of \$1,766.2 million in stockholders' equity from \$9,882.2 million in 2011 to \$8,116 million in 2012. Decrease is in Retained Earnings, and is due to previously cited net loss attributable to MGM Resorts for 2012.

5. Taxation

MGM Resorts International files income tax returns with the United States Internal Revenue Service, and various state, local and foreign jurisdictions. As of December 31, 2012, MGM is no longer subject to examination of its US consolidated federal income tax returns filed for years ended prior to 2005. The IRS completed its examination of MGM's consolidated federal income tax returns for the 2003 and 2004 tax years during 2010 and MGM paid \$12 million in tax and \$4 million in associated interest with respect to adjustments to which it agreed. In addition, MGM submitted a protest to IRS Appeals of certain adjustments to which it did not agree. MGM expects the issues subject to appeal will be settled sometime in 2013. During the fourth quarter of 2010, the IRS opened an examination of MGM's consolidated federal income tax returns for the 2005 through 2009 tax years. MGM expects that the IRS will complete this examination sometime in 2013 and it may agree to certain adjustments and protest others.

During the first quarter of 2011, the IRS opened audits of the 2007 through 2008 tax years of CityCenter Holdings LLC, an unconsolidated affiliate treated as a partnership for income tax purposes and the 2008 through 2009 tax years of MGM Grand Detroit LLC, a subsidiary treated as a partnership for income tax purposes. The IRS has completed field work with respect to these examinations and the issuance of final audit reports is pending. MGM may agree to certain adjustments and protest others. During 2010 MGM reached settlement with IRS Appeals with respect to the audit of the 2004 through 2006 tax years of MGM Grand Detroit LLC. At issue was the tax treatment of payments made under an agreement to develop, own and operate a hotel casino in the City of Detroit. MGM agreed to pay \$1 million in tax for such years as a result of this settlement. During the fourth quarter of 2010, MGM and its joint venture partner reached tentative settlement with IRS Appeals with respect to the audit of the 2003 and 2004 tax years of a cost method investee of MGM that is treated as a partnership for income tax purposes. The adjustments to which MGM agreed in such tentative settlement will be included in any settlement that it may reach with respect to the 2003 and 2004 examination of its

consolidated federal income tax return. The IRS is currently auditing the 2005 through 2009 tax years. MGM expects that the IRS will complete this examination sometime in 2013 and MGM may agree to certain adjustments and protest others.

During 2010, the IRS closed its examination of the federal income tax return of Mandalay Resort Group for the pre-acquisition year ended April 25, 2005, and issued a “No-Change Letter.” The statutes of limitations for assessing tax for all Mandalay Resort Group pre-acquisition years are now closed.

As of December 31, 2012, other than adjustments resulting from federal income tax audits as discussed, MGM was no longer subject to examination of its various state and local tax returns filed for years ended prior to 2008. During 2010, the state of Illinois initiated an audit of its Illinois combined returns for the 2006 and 2007 tax years. Such audit closed in 2012 resulting in an immaterial refund of taxes from such years. During 2010, the state of New Jersey began audit procedures of a cost method investee of MGM’s for the 2003 through 2006 tax years. No other state or local income tax returns are currently under exam.

6. Forecast Operating Results

The operating results of MGM Resort International’s first and second quarters in 2013 show that MGM’s operating income has improved between quarters and this trend will likely continue due to the improvement of the US economy, increasing gaming activities in the Las Vegas area and in Macau, with revenue share and dividend payments from MGM China.

7. Subsequent Events

Daniel D’Arrigo, Executive Vice President, Chief Financial Officer and Treasurer, confirmed that there were no subsequent events which would otherwise require highlighting.

D. MGM China Revenue Impact

MGM Resorts International (“MGM”)’s net revenues are generated primarily from two reportable segments, “Wholly Owned Subsidiaries” and “MGM China.” For 2012,⁵³ the net revenues and adjusted EBITDA results⁵⁴ are as follows:

⁵³ This is MGM China’s first full year of operation.

2012	Net Revenues	percent to Total Net Revenues	Adjusted EBITDA	Adjusted EBITDA %
Wholly Owned Domestic Resorts	5,932,791	65%	1,325,220	77%
MGM China	2,807,676	30%	679,345	39%
Corporate and Other	420,377	5%	(286,166)	-16%
Total	9,160,844	100%	1,718,399	100%

Note: MGM China Holdings Ltd. (“MGM China”) is the parent/holding company of its wholly owned subsidiary MGM Grand Paradise SA, which in turn owns the MGM Macau, a casino/hotel located in Macau SAR, China. MGM Macau does not have audited financial statement, and all of its financial information is consolidated in the financial statements its parent MGM China which are audited by the independent CPA firm of Deloitte Touche Tohmatsu of Hong Kong. For clarification purposes in this section of the report, the names MGM China and MGM Macau may be used synonymously as the revenues generated and reported by the MGM Macau are one in the same as that of its parent/holding company MGM China.

At 30 percent of the overall net revenue attributable to MGM and 39 percent of the adjusted EBITDA to overall adjusted EBITDA, MGM China’s revenue is a significant revenue stream and is a major contributor to MGM’s overall financial stability and well being. This section of the financial review report is not designed to analyze the financial stability and responsibility of MGM China. The purpose is to provide a detailed analysis relative to MGM Macau’s revenue impact to MGM Resorts International as a whole and MGM Macau’s method of operation.

Revenues at MGM Macau are generated primarily from gaming operations made up of two areas: main gaming floor operation and high-end (“VIP”) operation. MGM Macau’s main gaming floor operations consist of both table games and slot machines offered to the general public, which usually consists of walk-in and day trip visitors. High-end or VIP players play mostly in dedicated VIP rooms or designated gaming areas. VIP customers can be further divided into customers sourced by in-house VIP programs and those sourced through Gaming Promoters.

Our analysis of MGM China Holdings Ltd.’s 2012 annual report and audited financial statements revealed the following:

⁵⁴ The information is derived from MGM Resorts International’s December 31, 2012, audited Consolidated Statement of Operations.

1. Consolidated Statement of Comprehensive Income

In (thousands)	2012 (HK\$)	2012 (US\$)	2011 (HK\$)	2011 (US\$)
Total operating revenue	21,773,592	2,809,496	20,293,627	2,618,533
Total costs and expenses	(17,341,823)	(2,237,655)	(16,326,182)	(2,106,604)
Operating profit	4,431,769	571,841	3,967,445	511,928
Interest income	37,979	4,901	11,946	1,541
Finance Costs	(356,002)	(45,936)	(240,366)	(31,015)
Net foreign currency gain/(loss)	7,123	919	(1153)	(149)
Profit before taxation	4,120,869	531,725	3,737,872	482,306
Taxation	409,960	52,898	(458,812)	(59,202)
Profit for the year and total comprehensive income attributable to owners of the company	4,530,829	584,623	3,279,060	423,105

(The full Consolidated Statement of Comprehensive Income is attached in the Exhibit Appendix.)

From December 31, 2011, to December 31, 2012, MGM China's total operating revenue increased by HK\$1,479,965,000 (US\$190,963,000), or approximately 7 percent. Casino revenue represents 99.99 percent of total operating revenue and other revenue represent the remaining 0.01 percent. Total costs and expenses increased by HK\$1,015,641,000 (US\$131,050,000), or approximately 6 percent. Profit for the year and total comprehensive income attributable to owners of the company increased by HK\$1,251,769,000 (US\$161,519,000), or approximately 38 percent. The above data show that MGM China's earnings increased significantly in 2012 as compared to 2011.

According to statistics published by the Statistics and Census Service of the Macau Government, visitor arrivals reached 28.1 million in 2012 compared to 28.0 million in 2011. Gaming customers travelling to Macau typically come from nearby regions in Asia including mainland China, Hong Kong, Taiwan, South Korea and Japan, with approximately 89 percent of visitors to Macau in 2012 coming from mainland China, Hong Kong and Taiwan. Visitors coming from Mainland China increased 4.6 percent from prior year and reached 16.9 million in 2012. The Macau gaming market has grown significantly in the last few years and gross gaming revenue in Macau will continue to grow due to factors including the economic growth of China, which continues to create a large and growing middle class with rising disposable income; infrastructure improvements, such as the expanded border gate capacity and others that are expected to facilitate more convenient travel to and within Macau; the efforts and investments made by gaming concessionaires to solidify Macau as a destination market with superior and diverse integrated resort products and the continuous focus on table yield management across the markets. Additional capacity has been added in recent years with several new hotels and casinos opened in the Cotai strip area of Macau. In addition, the overall table yield in the gaming market

continues to improve which contributed to the market growth during the year. For the year ended December 31, 2012, total casino gross win in Macau market was approximately HK\$295.3 billion (US\$38.1 billion), up 13.5 percent over the same period in 2011.

a. Main Gaming Floor Operations

The main floor gaming operation in the Macau market is also referred to as the “mass gaming operation.” Unlike VIP players, main floor players do not receive commissions from MGM Macau. MGM had invested capital to improve the main gaming experience, particularly with its high-end main floor customers by creating dedicated exclusive gaming space for their use. Following the success of Supreme Lounge launched at the end of 2010, MGM launched the Platinum Lounge and electronic betting terminals of live table games (“LT Games”) gaming area, which includes both table game and slots, on the main floor in September 2011 and August 2012 respectively, which allows MGM to grow its main floor revenue.

The 2012 and 2011 annual reports of MGM China Holding show the following:

2012	HK\$(in 000's)	US\$ (in 000's)	percent as compared to total Gaming Revenues
VIP Room Operation	13,672,876	1,764,242	64%
Main Gaming Floor Operation	5,688,782	734,036	37%
Slot Machine Operations	2,092,825	270,042	10%
Total Casino Revenue	21,454,483	2,768,320	100%
2011	HK\$(in 000's)	US\$ (in 000's)	percent as compared to total Gaming Revenues
VIP Room Operation	13,815,407	1,782,633	69%
Main Gaming Floor Operation	4,574,915	590,312	23%
Slot Machine Operations	1,584,234	204,417	8%
Total Casino Revenue	19,974,556	2,577,362	100%
2010	HK\$(in 000's)	US\$ (in 000's)	percent as compared to total Gaming Revenues
VIP Room Operation	7,681,219	991,125	63%
Main Floor Operation	3,459,606	446,401	29%
Slot Machine Operations	986,023	127,229	8%
Total Casino Revenue	12,126,848	1,564,755	100%

The above data show that MGM China’s VIP room revenues represent 63 percent 69 percent and 64 percent of total gaming revenue generated in 2010, 2011, and 2012, respectively. The main gaming floor revenues represent only 29 percent, 23 percent and 37 percent of total gaming revenues generated in the same period.

b. High-End or VIP operation

The majority of MGM's high-end or VIP play is generated by Gaming Promoters, who have historically played an important role in the Macau gaming market and are important to the revenues of MGM Macau. In addition to VIP players introduced to MGM Macau by Gaming Promoters, there are in-house VIP players sourced through the MGM Macau's own marketing channels, who engage in gambling activities within high-limit areas operated solely by the MGM Macau. These in-house VIP players typically receive a commission and an allowance for room, food and beverages all based on a percentage of the rolling chip turnover.

In conjunction with our June 2013 on-site visit of MGM Macau, we examined the following:

Credit Extension to Gaming Promoters

We reviewed the extent of credit being extended by MGM Macau to its Gaming Promoters to determine the business relationship/partnership that exists between them. In response to our inquiry to Vice President of Legal and Administrative Affairs Antonio Menano and Director of Finance/Anti-Money Laundering Coordinator Susan Chan whether there are any loan(s) made or credit extended by MGM China Holdings Limited, MGM Grand Paradise SA and/or MGM Resorts International to any Gaming Promoter (aka junket, junket operator, VIP room operator) under contract/agreement with MGM Grand Paradise SA they, informed us that Gaming Promoters are provided with a line of credit with which to operate their VIP rooms. Based on our interviews with the MGM Macau Gaming Promoters, seven out of eight confirmed they receive a line of credit from the MGM Macau.

Menano and Chan both indicated that previously Gaming Promoters were required to deposit with MGM Macau a minimum of [REDACTED] in chip purchase before they were allowed to operate. However, it has become a very labor intensive issue as the promoters turned their money many times each day (i.e., cashing in and out depending on business necessities), and MGM Macau decided to grant credit to each promoter. MGM Macau grants different credit lines to different promoters depending on their actual turnovers. MGM Macau uses a calculation of "average turnover in the past 3 months times 3 percent" as a guideline with which to establish a line of credit for the promoter. Each time a draw is made, it is treated as a marker (or I.O.U.) and the Gaming Promoter must agree that the draw is a loan and

must be repaid upon demand or at settlement usually done at month-end. Each Gaming Promoter must execute a “Gaming Promoter Marker signing Privileges Application/Agreement” and a “Promissory Note Letter” with MGM Macau in addition to the Gaming Promoter agreement. According to Menano and Ms. Chan, in the event the Gaming Promoter’s credit worthiness may come into question, a third party guarantor may be required to guarantee the line of credit. Menano stated that if this is the case, a background check would be done on the third party guarantor.

We were provided with one (1) copy of “Gaming Promoter Marker signing Privileges Application/Agreement” and a “promissory Note Letter” [REDACTED]. A review of the agreement revealed that before the Gaming Promoter may draw on his/her line of credit, the promoter must provide MGM Macau a personal check and/or any other credit instrument that MGM Macau may require and MGM Macau may apply any personal check, promissory note or any other credit instrument provided by the Gaming Promoter toward payment of any outstanding credit balance owed by the Gaming Promoter.

Payments to Gaming Promoters

We reviewed the Monthly Junket Statement Summary⁵⁵ (“MJSS”) for the past 12 months from May 2012 to April 2013 and it shows a total of [REDACTED] as commission payment/revenue shares had been paid to [REDACTED] Gaming Promoters during that period. For easy reference, the total commission/revenue shares paid to each gaming operator for the 12 month period is shown in the following schedule:

⁵⁵ The MJSS is a statement summarizing the total turnovers of a particular junket, its total win (loss), details of revenue sharing, and commission entitled.

Gaming Promoter	Total Commission/Revenue Shares paid by MGM Macau from May 2012 to April 2013	
	In HK\$	In US\$
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

Conclusion on the Gaming Promoters’ impact to MGM Macau

Based on the foregoing analysis, it is clear that the impact of MGM Macau’s revenues is significant to MGM Resorts International and therefore, it is reasonable to suggest that MGM Resorts International’s overall net revenues would be negatively impacted without MGM Macau’s revenue contribution. Therefore, we can only conclude that the financial viability of both MGM Macau and MGM Resorts International is materially dependent on the Gaming Promoters and the high-end play they generate.

E. Conclusion as to Financial Stability – MGM Resorts International

Our financial review has disclosed that MGM Resorts International has the requisite financial resources and stability to support its [REDACTED] interest in the Applicant, Blue Tarp reDevelopment LLC. MGM Resorts International has had to overcome severe economic hardship over the past several years, particularly with the slow turnaround of the Las Vegas economy where several of its flagship properties are located. The operating results of MGM Resort International’s first and second quarters in 2013 demonstrate that MGM’s operating income has improved between quarters and this trend will likely continue due to the improvement of the US economy, increasing gaming activities in the Las Vegas area and in

[REDACTED]
[REDACTED]

Macau, with revenue share and dividend payments from MGM China Holdings Ltd. Overall, it can be concluded that MGM's net loss has narrowed starting in the first quarter 2013 through and including second quarter 2013 when compared to the same timeframe in the previous year. The expected leverage ratio remains materially constant from 2010 to 2012, which demonstrates that MGM's cash position is sufficient with which to service its debt payments. Additionally, MGM continued to show a strong stockholder's (net worth) position in its June 30, 2013, unaudited consolidated balance sheets, notwithstanding a slight decrease from year-end December 31, 2012. There is no indication that the company is unable to meet its short or long term debts.

The primary driver of improvement of MGM Resorts International's operating results, at least since 2011, is the MGM Macau, with increased profitability year over year. MGM Macau's 2012 revenues of \$2,807,676,000 represent approximately 30 percent to total net revenues attributable to MGM Resorts International, or approximately 39 percent of adjusted EBITDA to total adjusted EBITDA. Gaming Promoters at the MGM Macau undergird the financial success of the MGM Macau, and by extension MGM Resorts International. This audited financial data reflects that MGM China is a significant contributor to MGM Resorts International's overall financial health.

VII. Natural Person Qualifiers of MGM Resorts International

A. James J. Murren

James Murren is Chairman of the Board and Chief Executive Officer of MGM Resorts International, and also a Manager of Blue Tarp reDevelopment.

1. Qualifier's Name and Verified Information

Research of available online public records and documents provided by Murren has verified the following information:

Name: James Joseph Murren

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Employment History

Research has confirmed that Murren is currently employed as Chairman of the Board and Chief Executive Officer with MGM Resorts International. Murren is also a Manager of Blue Tarp reDevelopment. Murren was previously employed at Deutsche, Morgan, Grenfell. Managing Director Equity Analyst – Investment Banking from August 1984 – January 1998. Employment was confirmed through public records sources, documents provided by the qualifier, tax returns, and other sources.

3. Criminal Record

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States has revealed the following records personally naming Murren.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Murren has also been named in litigation as a result of his position with MGM Resorts International and related entities. These lawsuits occur routinely in the ordinary course of doing business and do not reflect negatively on Murren's business probity or acumen. Murren has been named in shareholder derivative actions against MGM Resorts International and other business-related matters. Material litigation is set forth in the Significant Litigation section of the MGM Resorts International portion of this Report.

8. Bankruptcy

[REDACTED]

[REDACTED]

9. Property Ownership

[REDACTED]

[REDACTED]

[Redacted text block]

10. Financial Suitability Evaluation

[Redacted text block]

Income Analysis

[Redacted text block]

[Redacted]

Net Worth Analysis

[Redacted]

[Redacted]

[Redacted]

Assets

[Redacted]

[Redacted]

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[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
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[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
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[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

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[Redacted]	[Redacted]	[Redacted]	[Redacted]
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[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Liabilities

[REDACTED]

Conclusion as to Financial Suitability

We have not uncovered any information that the Murren does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

The investigation has confirmed that Murren has not made any prohibitive political contributions in Massachusetts that violate M.G.L. c. 23K, § 46 or 205 CMR 108.00.

12. Significant Investigative Issues

Murren’s role in the Terry Christensen matter is set forth fully in Section IV.J. of this Report.

13. References

[REDACTED]
[REDACTED]
[REDACTED]

The above-named references were contacted and queried regarding the character and integrity of Murren. All three references indicated that Murren was of the highest character and integrity. [REDACTED]

[REDACTED] No derogatory information was developed which would preclude Murren from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did reveal derogatory or adverse items relative to James J. Murren, however in his capacity as CEO of MGM Resorts International. Select articles of note are summarized below:

- *Albany Times Union* – March 10, 2013: “MGM is so motivated to build a \$1.5 billion casino in New York City that its CEO [James Murren] is publicly criticizing Governor Andrew Cuomo’s plan to develop upstate before downstate. Murren does not agree with Governor Andrew Cuomo’s approach for casinos in the state of New York, calling his model “tortured,” “flawed” and “gaming by inches.” Murren told the *Times Union* “that Cuomo’s vision to phase in expansion by allowing three upstate casinos to be developed before considering the metropolitan region would not maximize economic development, tax generation and job creation.”
- *Masslive.com* – February 17, 2013: Upon their proposal for a casino in Springfield, Massachusetts gaming regulators expect to examine MGM Resorts International’s Macau business partner, Pansy Ho, whose father has been linked by New Jersey official to organized crime. Stanley Ho controlled a casino company that allowed organized crime to enter the Macau gaming market, and reportedly designated his daughter as his representative in negotiating with MGM and has close business ties with her. Initially MGM disagreed with the officials, but recently has asserted that the facts have changed since 2010, and there is now a financial and personal rift between Stanley and Pansy Ho. Stanley Ho, who is in ill health, has divested his interests in his daughter’s company and is suing her, as well as other family members in a business dispute, indicating he is no longer in a

position to improperly influence his daughter. Pansy Ho is partner in MGM Grand Macau and has no ownership ties to the proposed MGM Springfield project. MGM last week also asked the New Jersey Casino Control Commission for the right to reapply for its license in New Jersey. The commission approved the request, and James Murren feels his company's chances are good.

- *Las Vegas Review-Journal (Nevada)* – September 22, 2012: “Attorneys agreed that MGM Resorts International Chairman and CEO James Murren will sit for a deposition in the CityCenter construction litigation. Murren is a large witness in the case, due to his heavy involvement in CityCenter from its beginning. Former general contractor Perini Building Co., is suing CityCenter for unpaid construction bills.” ... Additional articles report, “As spelled out at a hearing in Clark County District Court, Murren cancelled the appearance through an attorney to attend a board meeting of affiliated MGM China Holdings in Macau.”
- Maryland Politics – October 10, 2012: Jim Murren of MGM said he remained confident that Maryland's referendum on expanded gambling would pass, but the race was closer than it should be. Companies with a stake in the outcome, collectively contributed over \$40 million to a pair of ballot-issued committees. Of that total, MGM spent \$14.1 million in support of the plan, while Penn National Gaming, the leading opposition, contributed \$21.6 million. Murren took a couple of shots at Penn National claiming “this wouldn't be such a close race if not for one casino in West Virginia spending tens of millions of dollars on the airwaves confusing the issue and trying to tell people in Maryland how to vote.” Murren also said he was not surprised by Penn's pace of spending on the ballot measure... “They're very adept at political campaigns, we're very adept at running luxury resorts.”
- *The Baltimore Sun* – August 5, 2012: “Supporters and opponents of expanding gambling in Maryland have spent more than \$1.1 million for television and radio ads....Prince George's County Contractors Association placed a single ad buy. Its ad, no longer running, linked MGM Gaming, the group that would run a casino at the National Harbor on the Potomac, to “organized crime.” The allegations refer to MGM's decision to sell its share of an Atlantic City casino rather than terminate its partnership in Macao with Chinese businesswoman Pansy Ho. A New Jersey board found her to be “unsuitable” as an operator because of her father's ties to Asian crime gangs. James Murren, MGM's Chief Executive, noted that he never had the chance to formally rebut the allegations in New Jersey. He said the Nevada casino commission, looking at essentially the same facts, approved the partnership.”
- Macaubusiness.com – January 7, 2011: MGM Resorts International is hoping that the company's Macau joint venture with Pansy Ho will eventually grab a spot in Cotai, but James Murren, the company's boss, says there are more expansion

opportunities in Macau. However Murren stressed “it is very important that we do not think of this as the only opportunity to grow in Macau. There are more opportunities on the peninsula and throughout the SAR in general.”

- *The Associated Press* – September 8, 2010: “James Murren says Sharron Angle’s election to the US Senate would hurt Nevada’s already struggling economy and questions how a US Senate candidate could have such a “poor” understanding of business and economics. Angle had commented that the CityCenter development injured other businesses in Nevada. Murren is a Republican and supporter of Democratic Senate Majority Leader Harry Reid, who helped CityCenter secure the last of its financing.”
- *The Associated Press State & Local Wire* – March 17, 2010: MGM Mirage Inc. is branding campaign ads linking Senate Majority Leader Harry Reid to allegations of explorative labor practices in Dubai as “false, offensive and defamatory.” Republican strategist Floyd Brown unveiled the new ad produced for two conservative political action committees. The ads attempt to link Reid’s support of MGM’s CityCenter project to MGM Mirage’s Dubai business partner, Sheik Mohammad bin Rashid Al Maktoum and allege Sheik Mohammad used “slave labor” constructing buildings in Dubai. Murren appeared in a Reid TV ad praising the senator’s leadership in helping MGM Mirage complete construction of the massive CityCenter project on the Strip, and therefore Brown said linking Reid to labor allegations in the UAE is fair.
- *The Wall Street Journal* – March 17, 2010: According to NJ’s casino enforcement agency, MGM Mirage knowingly signed on an unfit partner to try to gain a foothold in Macau after Chinese officials denied it a license. “From the beginning of its efforts to enter Macau, MGM pursued partnerships with persons that it knew were associated with those aspects of gaming in Macau most heavily penetrated by organized crime,” New Jersey’s Division of Gaming Enforcement previously wrote in a confidential report to the state’s Casino Control Commission. Also according to the report, a private investigation firm employed by MGM Mirage concluded that Stanley Ho was “linked closely” to 14K and Sun Yee On, two major Macau “triads” and also had links to Russian organized crime and North Korean authorities. Jim Murren in a statement said that NJ didn’t submit any evidence that Ms. Ho “has engaged in any wrongdoing or been accused of any illegal activity.” He has also defended Ho, making note of their “positive working relationship” and “spotless operating record at MGM Grand Macau, which opened two years ago.”
- *StarTribune.com* – March 17, 2010: New Jersey casino regulators said they have evidence that Stanley Ho has ties to organized crime, letting gangs “operate and thrive” inside his casinos. The division found that his daughter, Pansy Ho, is dependent on him on money and remains under his influence. In the DGE’s

report, former MGM Mirage Chairman Terry Lanni was quoted as saying “you would have to be living under a rock not to know about Stanley Ho and what the perception of Stanley Ho is...he’s never been convicted, but perception is reality, and maybe there is a reality there also beyond the failure to have the indictments or convictions.” MGM and Jim Murren continue to forcefully defend her.

- *Agence France Presse* – March 13, 2010: In a statement posted to MGM’s website late Friday, James Murren, Chairman and Chief Executive, said he disagreed with the New Jersey gaming regulator’s assessment of Pansy Ho, who was deemed as “unsuitable.” Pansy Ho is the daughter of gaming tycoon Stanley Ho, who controlled Macau’s gaming sector until it opened to foreign competition in 2002, and has alleged links to organized crime. To settle the fight with regulators, who told MGM to cut their ties with Ho, MGM will sell its half stake in the Borgata Hotel and Casino to keep a joint venture in Macau.
- *The Star-Ledger (Newark, New Jersey)* – March 13, 2010: MGM Mirage said yesterday it will sell its 50 percent interest in Atlantic City’s top casino and stop doing business in New Jersey rather than cut ties with the family of an Asian casino mogul accused of organized crime ties. Pansy Ho was found by regulators to be an “unsuitable” business partner, due to her father’s reputed ties to Chinese triads, even though he has never been charged. MGM reached a settlement with the New Jersey Division of Gaming Enforcement in which it would put its stake in the Borgata into a divestiture trust and sell it within 30 months. MGM will be permitted to reapply for a New Jersey casino license 30 months after the completion of the sale. While Jim Murren, disagreed with the assessment of Ho, he believes the best course of action for MGM and its shareholders is to settle the matter and move forward with growth opportunities in Macau.
- *Class Action Reporter* – October 28, 2009: MGM Mirage faces a purported class action filed by Robert Lowinger on August 19, 2009, in the US District Court of Nevada. Lowing is suing the company, along with J. Terrance Lanni, James J. Murren, Daniel J. D’Arrigo and Robert H. Baldwin, alleging federal securities violations.

Additionally, several articles of an informative and biographical nature were located naming Murren. Select articles have been summarized below:

- *The San Diego Union-Tribune* – January 23, 2012: “UC San Diego is buying the bankrupt Nevada Cancer Institute in Las Vegas ... how the institute ended up bankrupt in a matter of debate. In broad terms, the story began when Jim and Heather Murren moved from New York to Las Vegas in 1998 and decided that the area lacked advanced medical facilities consistent with a metropolitan area. In 2005, they opened the institute. State lawmakers gave the institute \$20 million and star-studded benefits brought in \$200 million, but according to Sen. Sheila

Leslie, it was never the expectation that the state would continue with that kind of funding. Dr. Nicholas Vogelzang, the institute's director from 2004 to 2009, believes adding a second and third building contributed to the downfall.”

- Telegraph.co.uk – October 18, 2011: James Murren worked on Wall Street for 14 years as an equity analyst for Deutsche Bank before moving to Vegas in 1998 to become the chief financial officer for MGM Grand. In 2000 it took over the Mirage, Bellagio and Treasure Island from Wynn, and in 2005 acquired the Mandalay Resort Group, which included Excalibur, Wynn and Circus Circus. In the same year, work began on the City Centre, whose by Vegas standards, Murren's theme of “no theme” was outlandishly novel. A connoisseur of contemporary art, Murren sank \$60 million into the acquisitions of artwork wanting to create spaces where people could reflect, but building City Center nearly brought MGM to bankruptcy. Originally partnered with the investment company, Dubai World, in 209 with the project “way over budget” Dubai World refused to pay its share to general contractors. Murren persuaded MGM's sundry banks to save the project.
- *Las Vegas Review-Journal (Nevada)* – April 17, 2009: “MGM Mirage stock has tanked, and the company has veered toward bankruptcy, but that didn't keep its Chairman and CEO Jim Murren from recently receiving a \$500,000 raise to an even \$2 million. Murren is also eligible for bonuses of up to \$4.25 million, according to a filing by the company with the Securities and Exchange Commission.”
- *WENN Photos (London)* – October 5, 2006: “Jim Murren and Andre Agassi name Charter School Building to honor long-time partnership between Charitable Foundation and MGM Mirage.”
- *Corporate Responsibility Magazine*, a publication which recognizes socially responsible executives, named Murren a 2013 Responsible CEO of the Year for exceeding the standards in the areas of employee relations, environmental impact, human rights, philanthropy, and corporate responsibility practices.

15. Conclusion

The Commission may wish to explore at an adjudicatory hearing Murren's role in the Terry Christensen matter, which is discussed in section IV.J of this Report.

B. Corey I. Sanders

The investigation of Corey I. Sanders, Chief Operating Officer of MGM Resorts International and a Manager of Blue Tarp reDevelopment, did not reveal any derogatory information which would impact on his suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier's Name and Verified Information

Research of available online public records and documents provided by Sanders has verified the following information:

Name: Corey Ian Sanders

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Employment History

Research has confirmed that Sanders is currently employed as Chief Operating Officer with MGM Resorts International. He is also a Manager of Blue Tarp reDevelopment. Sanders was previously employed at Arthur Anderson & Co. from September 1989 – December 1994. Employment was confirmed through (public records sources, documents provided by the qualifier, tax returns, and other sources).

3. Criminal Record

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



4. Education

Sanders disclosed that he attended Cal State Northridge and Pierce Junior College from 1981 to 1986. Sanders continued his education in 1986 at UCLA, where he received a Bachelor of Arts degree in Economics and Business in 1989. Research has verified that Sanders received a Bachelor of Arts degree from UCLA on March 24, 1989. Consultation with the registrar's office of UCLA, College of Letters and Science, confirmed Corey Ian Sanders graduated from this Institution on March 24, 1989 with a Bachelor of Arts degree in Economics/Business.

Consultation with the registrar's office of California State University – Northridge confirmed Corey Ian Sanders attended this Institution from March 31, 1981 to May 28, 1982 and did not earn a degree. This information is consistent with what Sanders has provided.

Consultation with the registrar's office of Los Angeles Pierce College has confirmed Corey Ian Sanders attended this Institution from September 13, 1982 to June 18, 1984 and did not earn a degree. We observe that Sanders provided dates of attendance differ from those which have been confirmed, as he indicated that he attended Pierce College from June 1982 to June 1986 (a difference of two years). We do not deem this a matter of concern.

5. Professional and Gaming Licenses

Sanders disclosed that he is a licensed Certified Public Accountant in California. Research has verified that Sanders is a licensed CPA in California, license No. 67153. This license was in an inactive status, and valid until May 31, 2015. No derogatory information or sanctions are noted for this license.

Sanders has disclosed that he has applied for qualification in various gaming jurisdictions. We requested verification of certain US non-tribal licenses from the appropriate regulatory agencies as noted in the Scope and Methodology section of this report. The results of those inquiries, which verified the applicant's disclosure, have been received and no negative or derogatory information is noted.

6. Directorships and Stockholdings

Research of available Dun & Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports and assorted company records has revealed the following business affiliations for Sanders:

- MGM Resorts International Director of various subsidiaries
December 2008 – Present
- Grand Victoria Foundation Director March 2009 – Present
- Grand Victoria Riverboat Director August 2009 – Present
- City Center Holdings LLC Director December 2012 – Present

This is consistent with the information disclosed by Sanders in his PHDF.

Sanders disclosed that he owns a minimum of 5 percent in the following business entities:

- Bettelman Pico-Midvale [REDACTED] December 1989 – Present
- S&B Unit 31 J LLC [REDACTED] March 2011 – Present
- CIS Properties LLC [REDACTED] March 2011 – Present

Research has verified this information. Sanders' business interests are discussed in greater detail in the Financial Suitability section of this report.

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States has revealed no records personally naming Sander, other than being named in litigation as a result of his position with MGM Resorts International and related entities. These lawsuits occur routinely in the ordinary course of doing business and do not reflect negatively on Sanders' business probity or acumen.

8. Bankruptcy

[REDACTED]

9. Property Ownership

[REDACTED]

[Redacted text block]

10. Financial Suitability Evaluation

[Redacted text block]

Income Analysis

[Redacted text block]

Net Worth Analysis

[Redacted text block]

[Redacted text block]

Assets

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Liabilities

[REDACTED]

Conclusion as to Financial Suitability

We have not uncovered any information that Sanders does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

The investigation has confirmed that Sanders has not made any prohibitive political contributions in Massachusetts that violate M.G.L. c. 23K, § 46 or 205 CMR 108.00.

12. Significant Investigative Issues

None.

13. References

- Bill Hornbuckle,⁵⁹, [REDACTED]

The above-named references were contacted and queried regarding the character and integrity of Sanders. All three references indicated that Sanders was of the highest character and integrity. [REDACTED]

[REDACTED] No derogatory information was developed which would preclude Sanders from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did not reveal any derogatory or adverse items relative to Sanders. He is mentioned numerous times on the Internet and in print media, however no adverse information was found regarding this individual.

15. Conclusion

Based on our investigation there were no known facts that would disqualify Sanders based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

⁵⁹ Hornbuckle is an applicant before the Commission.

C. William J. Hornbuckle IV

The investigation of William Hornbuckle IV, President and Chief Marketing Officer of MGM Resorts International, and President and Chief Operating Officer of Blue Tarp reDevelopment, did not reveal any derogatory information which would impact on his suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier's Name and Verified Information

Research of available online public records and documents provided by Hornbuckle has verified the following information:

Name: William Joseph Hornbuckle IV

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Employment History

Research has confirmed that Hornbuckle is currently employed as President and Chief Marketing Officer with MGM Resorts International, and President and Chief Operating Officer of Blue Tarp reDevelopment.

Hornbuckle was previously employed at:

- MGM Mirage July 2001 – August 2009
- MGM Grand Resorts April 1998 – July 2001
- Caesars World December 1996 – April 1998
- MGM Resorts May 1989 – December 1996
- GNLV Corporation February 1986 – May 1989
- Landmark Corporation September 1981 – February 1986
- Flamingo Hilton October 1978 – September 1981

Employment was confirmed through public records sources, documents provided by the qualifier, tax returns, and other sources.

3. Criminal Record

[REDACTED]

4. Education

Hornbuckle indicated that he attended The University of Nevada, Las Vegas from 1977 to 1984, and was awarded a Bachelor of Science degree in Hotel Administration. Consultation with the registrar's office at UNLV confirmed that William J. Hornbuckle attended this institution and did receive a Bachelor of Science degree in Hotel Administration in December 1984.

Hornbuckle also indicated that he attended Manchester Community College from 1975 to 1977 and received an Associate's Degree in Business. Consultation with the office of the registrar at this college confirmed that he was enrolled during this time period and received an Associate's Degree in Hotel Management in May 1977.

5. Professional and Gaming Licenses

Hornbuckle did not disclose any non-gaming professional licenses in his PHDF and research did not reveal any such licenses for Hornbuckle.

Hornbuckle has disclosed that he has applied for qualification in various gaming jurisdictions. We requested verification of certain US non-tribal licenses from the appropriate regulatory agencies as noted in the Scope and Methodology section of this report. The results of those inquiries, which verified the applicant's disclosure, have been received and no negative or derogatory information is noted.

6. Directorships and Stockholdings

Research of available Dun & Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports and assorted company records has revealed the following business affiliations for Hornbuckle:

- MGM Resorts International Director of various subsidiaries
December 2011 – Present
- Three Square Food Bank Director August 2009 – Present
- Bank of George Director June 2007 – Present
- Agassi Foundation Director September 2001 – Present

This is consistent with the information disclosed by Hornbuckle in his PHDF.

Hornbuckle has disclosed that he owns a minimum of 5 percent in the following business entities, which research has verified:

- Rainbow Diablo Medical Ctr. [REDACTED] March 2002 – Present
- Seven Hills Real Estate Inv. LLC [REDACTED] January 2000 – Present
- W H Inv. Holdings Inc. [REDACTED] March 1997 – Present
- Linara LLC [REDACTED] May 2004 – Present
- Sunset Post II LLC [REDACTED] April 2004 – Present
- Horizon Jeffries LLC [REDACTED] May 2002 – Present

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States has revealed the following records personally naming Hornbuckle.



This suit was disclosed by Hornbuckle in his PHDF. Hornbuckle has also been named in Litigation as a result of his position with MGM Resorts International and related entities. These

lawsuits occur routinely in the ordinary course of business and do not reflect negatively on his business probity or acumen.

8. Bankruptcy

[REDACTED]

9. Property Ownership

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

[REDACTED]

10. Financial Suitability Evaluation

[REDACTED]

[REDACTED]

Income Analysis

[REDACTED]

c. Net Worth Analysis

[REDACTED]

Assets

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Liabilities

[Redacted]

[Redacted]

[Redacted]

[REDACTED]

Conclusion as to Financial Suitability

We have not uncovered any information that the Hornbuckle does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

The investigation has confirmed that Hornbuckle has not made any prohibitive political contributions in Massachusetts that violate M.G.L. c. 23K, § 46 or 205 CMR 108.00.

12. Significant Investigative Issues

None.

13. References

[REDACTED]

The above-named references were contacted and queried regarding the character and integrity of Hornbuckle. All three references indicated that Hornbuckle was of the highest character and integrity. [REDACTED]

[REDACTED]

No derogatory information was developed which would preclude Hornbuckle from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did not reveal any derogatory or adverse items relative to Hornbuckle. There are several media articles relating to his positions at MGM Resorts International in which he is quoted. He is mentioned numerous times on the Internet, however no adverse information was found regarding this individual.

15. Conclusion

Based on our investigation there were no known facts that would disqualify Hornbuckle, based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

D. Daniel J. D'Arrigo

The investigation of Daniel J. D'Arrigo, Executive Vice President, Treasurer and Chief Financial Officer of MGM Resorts International, and Treasurer of Blue Tarp reDevelopment, did not reveal any derogatory information which would impact on his suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier's Name and Verified Information

Research of available online public records and documents provided by D'Arrigo has verified the following information:

Name: Daniel John D'Arrigo

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Employment History

Research has confirmed that D'Arrigo is currently employed as Executive Vice President, Treasurer and Chief Financial Officer with MGM Resorts International, and Treasurer of Blue Tarp reDevelopment. D'Arrigo was previously employed at:

- Lady Luck Gaming Corp. June 1994 – September 1995
- Sands Hotel & Casino December 1991 – May 1994
- Dunes Hotel & Casino September 1991 – December 1991

Employment was confirmed through public records sources, documents provided by the qualifier and tax returns.

3. Criminal Record

[REDACTED]

4. Education

D'Arrigo disclosed that he attended Stockton State College in Pomona, NJ, for two years, September 1986 to August 1988, then transferred to West Virginia University in Morgantown, WV, where he received a Bachelor of Science degree in Business Administration in August 1991. Research has verified that D'Arrigo did attend Stockton State College and did receive a Bachelor of Science degree from West Virginia University in August 1991.

5. Professional and Gaming Licenses

D'Arrigo did not disclose any non-gaming professional licenses in his PHDF and research did not reveal any such licenses for D'Arrigo.

D'Arrigo has disclosed that he has applied for qualification in various gaming jurisdictions. We requested verification of certain US non-tribal licenses from the appropriate regulatory agencies as noted in the Scope and Methodology section of this report. The results of those inquiries, which verified the applicant's disclosure, have been received and no negative or derogatory information is noted.

6. Directorships and Stockholdings

Research of available Dun & Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports and assorted company records has revealed the following business affiliation for D'Arrigo: MGM China Holdings Ltd., Director. This is consistent with the information disclosed by D'Arrigo in his PHDF.

D'Arrigo has disclosed that he does not own a minimum of 5 percent in any business entity.

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States has revealed no litigation records of a personal nature naming D'Arrigo.

D'Arrigo is named in litigation in his capacity as an officer of MGM Resorts International, which is involved in various filings and/or litigation, arbitration and administrative matters in the ordinary course of doing business. These lawsuits occur routinely and do not reflect negatively on D'Arrigo's business probity or acumen.

8. Bankruptcy

[REDACTED]

9. Property Ownership

[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

10. Financial Suitability Evaluation

[REDACTED]

Income Analysis

[REDACTED]

Net Worth Analysis

[REDACTED]

Assets

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Liabilities

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Conclusion as to Financial Suitability

We have not uncovered any information that the D'Arrigo does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

The investigation has confirmed that D'Arrigo has not made any prohibitive political contributions in Massachusetts that violate M.G.L. c. 23K, § 46 or 205 CMR 108.00.

12. Significant Investigative Issues

None. D'Arrigo's role in the Terry Christensen matter is set forth fully in Section IV.J. of this Report. The investigation shows that D'Arrigo's interaction with Christensen post-conviction was relatively incidental and that he sought the advice of the Compliance Officer as to the propriety of further contacts with Christensen and displayed some sensitivity to the regulatory concerns of involving Christensen in MGM's business affairs.

13. References

- James Murren,⁶⁰ [REDACTED]
[REDACTED]
[REDACTED]

The above-named references were contacted and queried regarding the character and integrity of D'Arrigo. All three references indicated that D'Arrigo was of the highest character and integrity. [REDACTED]

[REDACTED] No derogatory information was developed which would preclude D'Arrigo from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did not reveal any derogatory or adverse items relative to D'Arrigo. He is mentioned numerous times on the Internet, mostly in

⁶⁰ Murren is also an applicant for licensure.

his capacity as an officer of MGM Resorts International, however no adverse information was found regarding this individual.

15. Conclusion

Based on our investigation there were no known facts that would disqualify D'Arrigo based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

E. John M. McManus

The investigation of John M. McManus, Executive Vice President, General Counsel and Secretary of MGM Resorts International, and Secretary of Blue Tarp reDevelopment, did not reveal any derogatory information which would impact on his suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier's Name and Verified Information

Research of available online public records and documents provided by McManus has verified the following information:

Name: John Milton McManus

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Employment History

Research has confirmed that McManus is currently employed as Executive Vice President, General Counsel and Secretary with MGM Resorts International. He is also Secretary of Blue Tarp reDevelopment.

McManus was previously employed at:

- Gordon Gaming Corporation March 1996 – May 2001
- Schreck, Jones, Bernhard, Woloson & Godfrey August 1993 – March 1996

Employment was confirmed through public records sources, documents provided by the qualifier, and tax returns.

3. Criminal Record

[REDACTED]

4. Education

McManus disclosed that he attended Vanderbilt University from 1985 to 1989, and was awarded a Bachelor of Arts degree from the College of Arts and Sciences. Consultation with the Registrar's Office at Vanderbilt confirmed that John Milton McManus attended this institution during this period and did receive a degree in Philosophy and Political Science on May 12, 1989.

McManus also disclosed that he attended the University of Miami School Of Law from 1990 to 1993, and was awarded a J.D. degree. Consultation with the Registrar's Office at this University confirmed that he was enrolled during this time period and did receive a J.D. degree from the University of Miami School of Law in May 9, 1993. McManus graduated cum laude.

5. Professional and Gaming Licenses

McManus disclosed that he is a licensed attorney in Nevada. Research has verified that McManus is a licensed attorney admitted to the Nevada Bar on October 3, 1994, Bar No. 5422. This license is currently active and Nevada Bar membership renewal is January 1 of every year. No derogatory information or sanctions are noted for this license.

McManus has disclosed that he has applied for qualification in various gaming jurisdictions. We requested verification of certain US non-tribal licenses from the appropriate regulatory agencies as noted in the Scope of Methodology section of this report. The results of those inquiries, which verified the applicant's disclosure, have been received and no negative or derogatory information is noted.

6. Directorships and Stockholdings

Research of available Dun & Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports and assorted company records has revealed the following business affiliations for McManus:

- MGM Resorts International Director of several subsidiaries
August 2010 – Present

This is consistent with the information disclosed by McManus in his PHDF.

McManus has disclosed that he owns a minimum of 5 percent in the following business entity:

- The Trees Unit 50 LLC August 2005 – Present

Research has verified this information. McManus' business interests are discussed in greater detail in the Financial Suitability section of this report.

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States has revealed the following records personally naming McManus.

Clark County Eighth Judicial District Court of Nevada

Case Name: Florida State of v. John McManus, MGM Grand Hotel and Casino

Case Number: 09C260141

Plaintiff: State of Florida

Defendant: John McManus; MGM Grand Hotel and Casino

Date Filed: 12/02/2009

Nature: Criminal Petition for Out of State Witness

Date of Disposition: 12/11/2009

Disposition: Appearance Waived, Hearing Vacated

McManus's appearance to testify was requested by the State of Florida due to his being the Registered Agent of the MGM Grand Hotel and Casino. Florida was prosecuting David Lee Hedrick for Grand Theft in Excess of \$20,000 from Seminole County. The prosecution sought files of MGM Grand Hotel and Casino pertaining to Hedrick, to investigate the possibility that Hedrick gambled with the money he allegedly stole. As custodian of records for MGM Grand Hotel and Casino McManus, did agree and consent to provide the requested records in lieu of his

personal appearance. The State of Florida agreed and McManus' appearance was waived and the hearing vacated.

McManus was involvement in the following listed Bankruptcies as a creditor:

US Bankruptcy Court, District of Delaware (Delaware)

Case Name: Chapter 11 Voluntary Bankruptcy
Case Number: 10-12915
Debtor: Ultimate Escape Holdings LLC
Date Filed: 9/20/2010
Date Disposed: 1/28/2013

US Bankruptcy Court, District of Connecticut (Bridgeport)

Case Name: Chapter 11 Voluntary Bankruptcy
Case Number: 06/-50245
Debtor: Complete Retreats LLC. dba Tanner & Haley
Date Filed: 7/23/2006
Date Disposed: 2010

US Bankruptcy Court, District of Nevada (Las Vegas)

Case Name: Chapter 11 Voluntary Bankruptcy
Case Number: 01-22878
Debtor: Nevada Asset Lenders LLC
Date Filed: 12/7/2001
Date Disposed: 5/11/2004

McManus has also been named in litigation as a result of his position with MGM Resorts International and related entities. These lawsuits occur routinely in the ordinary course of doing business and do not reflect negatively on McManus' business probity or acumen.

8. Bankruptcy

[REDACTED]

9. Property Ownership

[REDACTED]

[Redacted text block]

10. Financial Suitability Evaluation

[Redacted text block]

Income Analysis

[Redacted text block]

Net Worth Analysis

[Redacted text block]

[REDACTED]

Assets

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Conclusion as to Financial Suitability

We have not uncovered any information that McManus does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

The investigation has confirmed that McManus has not made any prohibitive political contributions in Massachusetts that violate M.G.L. c. 23K, § 46 or 205 CMR 108.00.

12. Significant Investigative Issues

None. McManus's role in the Terry Christensen matter is set forth fully in Section IV.J. of this Report. The investigation shows that McManus's interaction with Christensen post-conviction was incidental and occurred on only two occasions when he (McManus) was assistant general counsel.

13. References

[REDACTED]
[REDACTED]

- Tom Peterman,⁶¹ [REDACTED]

The above-named references were contacted and queried regarding the character and integrity of McManus. All three references indicated that McManus was of the highest character and integrity. [REDACTED]

[REDACTED] No derogatory information was developed which would preclude McManus from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did not reveal any derogatory or adverse items relative to McManus. He is mentioned numerous times on the Internet, however no adverse information was found regarding this individual.

⁶¹ Peterman is also an applicant for licensure.

15. Conclusion

Based on our investigation there were no known facts that would disqualify McManus based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

F. Kenneth A. Rosevear

The investigation of Kenneth Arthur Rosevear, President of MGM Resorts Development LLC, did not reveal any derogatory information which would impact on his suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier's Name and Verified Information

Research of available online public records, documents provided by Rosevear and our investigation has verified the following information:

Name: Kenneth Arthur Rosevear

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Employment History

Research and our investigation confirmed that Rosevear is currently employed as President of Development, MGM Resorts Development LLC and is the Owner-Manager of Rosevear & Associates LLC. Rosevear indicated in his PHDF that he has been employed at the following companies during the timeframes noted. This was confirmed through public records sources, an interview with the applicant on June 11, 2013, and review of the applicant's financial records and tax returns.

- MGM Resorts Development LLC October 1996 to Present
- Rosevear & Assoc LLC April 1999 to Present
- MGM Grand Inc. November 1995 to October 1996
- Caesars World Gaming Development November 1993 to October 1995
- Unemployed July 1993 to November 1993
- Sun International Group October 1983 to June 1993

Rosevear disclosed that in 1988, Transkei Sun International Limited was subject to a Commission of Inquiry by the Alexander and Harris Commission while he was the Director. The Inquiries were closed following a settlement agreement between the government of Transkei and the company. Two related articles roughly translated into English were located on the Internet and reported Rosevear, who was the co-director of Sun International, testified to the Commission's inquiry into corruption. Another article published in 1995 cites "Kerzner's company appears to have used unorthodox ways of securing gambling rights in the Ciskei and Transkei." During his interview in June 2013, Rosevear indicated that he testified to his knowledge of the transaction between Kerzner and Transkei as they looked to expand gaming. He indicated the settlement agreement referenced in the article was really the case being closed and a determination by the Commission that there was no wrongdoing.

Rosevear also indicated that he formed Rosevear & Assoc LLC in 1999 in anticipation of leaving MGM and was initially involved in management and development agreements in Palm Springs and South Africa. The agreements in Palm Springs have expired and the agreements in South Africa have been sold.

3. Criminal Record

[REDACTED]

4. Education

Rosevear disclosed that he attended the University of Witwatersrand in Johannesburg, South Africa, where he received a Certificate in Theory of Accounting. Consultation with this educational institution and verification provided by the Applicant has confirmed that Rosevear received a Certificate in Theory of Accounting from the University of Witwatersand in Johannesburg, South Africa, on April 21, 1972.

5. Professional and Gaming Licenses

Rosevear disclosed that he was a Chartered Accountant in South Africa but resigned his membership in January 2008. Consultation with the South African Institute of Chartered Accountants confirmed Rosevear was a member from January 1, 1973, to February 13, 2008. No derogatory information or sanctions are noted for this license.

Rosevear has disclosed that he has applied for qualification in various gaming jurisdictions in the US and international jurisdictions. We requested verification of certain US licenses from the appropriate regulatory agencies as noted in the Scope and Methodology section of this report. The results of those inquiries, which verified the applicant's disclosure, have been received and no negative or derogatory information is noted. Rosevear also possessed an Owner's License with the California Horse Racing Board, which expired in August 2008.

6. Directorships and Stockholdings

Research of available Dun & Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports and assorted company records and our investigation has revealed the following business affiliation for Rosevear. He is also listed as the Trustee with the Rosevear Living Trust and the Madison & Lexington Trust.

- MGM China Holdings Ltd. Director

This is consistent with the information disclosed by Rosevear in his PHDF and was confirmed during his interview.

Rosevear has disclosed that he owns a minimum of 5 percent in the following business entity:

- Rosevear & Associates LLC 

Research and our investigation have verified this information. Rosevear's business interests are discussed in greater detail in the Financial Suitability section of this report.

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States has revealed no records personally naming Rosevear.

8. Bankruptcy

[REDACTED]

9. Property Ownership

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

10. Financial Suitability Evaluation

[REDACTED]

Income Analysis

[REDACTED]

[REDACTED]

Net Worth Analysis

[REDACTED]

Assets

[REDACTED]

[REDACTED]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

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[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[REDACTED]

Liabilities

[REDACTED]

Conclusion as to Financial Suitability

We have not uncovered any information that Rosevear does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

The investigation has confirmed that Rosevear has not made any prohibitive political contributions in Massachusetts that violate M.G.L. c. 23K, § 46 or 205 CMR 108.00.

12. Significant Investigative Issues

None.

13. References

[REDACTED]

The above-named references were contacted and queried regarding the character and integrity of Rosevear. All three references indicated that Rosevear was of the highest character

and integrity. [REDACTED]

[REDACTED] No derogatory information was developed which would preclude Rosevear from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did not reveal any derogatory or adverse items relative to Rosevear. He is mentioned numerous times on the Internet, however no adverse information was found regarding this individual.

15. Conclusion

Based on our investigation there were no known facts that would disqualify Rosevear based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

G. Robert H. Baldwin

The investigation of Robert Homer Baldwin, Director, MGM Resorts International, did not reveal any derogatory information which would impact on his suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier's Name and Verified Information

Research of available online public records, documents provided by Baldwin and our investigation has verified the following information:

Name: Robert Homer Baldwin

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Employment History

Research and our investigation confirmed that Baldwin is currently employed as a Director, and Chief Design & Construction Officer of MGM Resorts International. He has several other positions with subsidiaries of MGM Resorts International, including serving as President and Chief Operating Officer of Aria Resort & Casino LLC since December 2012. Baldwin indicated in his PHDF that he has been employed at the following companies during the timeframes noted. This was confirmed through public records sources, an interview with the applicant on June 12, 2013, and review of the applicant's financial records and tax returns.

- MGM Resorts International August 2007 to Present
- Project CC LLC March 2005 to Present
- CityCenter Holdings LLC March 2005 to Present

- Mirage Resorts June 2000 to August 2007
- Bellagio Hotel & Casino April 1997 to March 2005

3. Criminal Record

[REDACTED]

[REDACTED]

[REDACTED]

4. Education

Baldwin disclosed that he attended Oklahoma State University between 1968 and 1971, where he took core courses but did not receive a Degree. Consultation with this educational

institution has confirmed that Baldwin attended Oklahoma State University from September 18, 1968, to May 15, 1972, and did not receive a degree.

During his interview, Baldwin indicated that he also attended Tulsa University in the summer of 1970 or 1971, where he took economics courses but did not receive a degree. Consultation with this educational institution has confirmed that Baldwin attended Tulsa University from June 7, 1971, to July 30, 1971, and did not receive a degree.

5. Professional and Gaming Licenses

Baldwin did not disclose any active non-gaming professional licenses in his PHDF.



During his interview, Baldwin indicated that he received his helicopter pilot's license on May 25, 2013, and subsequently provided a copy of his Temporary Airman Certificate issued by the Federal Aviation Administration.

Baldwin has disclosed that he has applied for qualification in various gaming jurisdictions in the US and international jurisdictions. We requested verification of certain US licenses from the appropriate regulatory agencies as noted in the Scope and Methodology section of this report. The results of those inquiries, which verified the applicant's disclosure, have been received and no negative or derogatory information is noted.

6. Directorships and Stockholdings

Research of available Dun & Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports and assorted company records and our investigation has revealed numerous business affiliations for Baldwin that fall under the MGM corporate umbrella where he is either a Director or President & CEO. Baldwin is also a Trustee or Grantor for multiple family trusts. This is consistent with the information disclosed by Baldwin in his PHDF and was confirmed during his interview.

Baldwin has disclosed that he owns a minimum of 5 percent in the following business entities:

- Texas Keystone 2000 
- Plane Sense II LLC 

Research and our investigation have verified this information. Baldwin's business interests are discussed in greater detail in the Financial Suitability section of this report.

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States has revealed the following records personally naming Baldwin. In addition, he was named in numerous shareholder lawsuits by virtue of his position with MGM Resorts International. Research of these lawsuits disclosed one specific case where there were allegations in the complaint concerning insider trading on the part of some of the officers and directors. This case is listed below:

US District Court, District of Nevada (Las Vegas)

Case Number: 2:09-cv-01815

Case Name: Guerrero vs. Murren, et al.

Plaintiff: Mario Guerrero

Consol Plaintiff: Regina Shamberger

Defendants: James J. Murren; Rose McKinney-James; et al.

Consol Defendant: Daniel J. D'Arrigo

Date Filed: 9/14/2009

Date Terminated: Pending

Nature of Suit: Stockholders Suits

Consolidated with Shamberger vs. Lanni, et al., Case Number 2:09-cv-01817 filed in the same court.

This is a stockholder's lawsuit alleging that the Directors and Officers of MGM Mirage provided false statements to the investing public to artificially inflate MGM's stock price; while several of the defendants sold their personally held stock to profit from inside stock trading. Baldwin was a Director and Chief Design & Construction Officer at MGM at the time and one of the allegations in this US District Court lawsuit was that Baldwin sold 502,962 shares of MGM stock for proceeds of \$42,841,498. During his interview, Baldwin was asked whether he sold MGM stock during the relevant period August 2, 2007, to the date of the filing of the complaint as alleged in the complaint. Baldwin indicated that he did sell stock but was not sure of the exact dates. Research with the Securities and Exchange Commission confirmed that Baldwin did sell a large amount of MGM Mirage stock between September 4, 2007, and December 17, 2007. This case is still pending.



[Redacted]

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[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[REDACTED]

[REDACTED]

8. Bankruptcy

[REDACTED]

9. Property Ownership

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

10. Financial Suitability Evaluation

[REDACTED]

Income Analysis

[REDACTED]

Net Worth Analysis

[REDACTED]

[Redacted text block]

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[REDACTED]

Conclusion as to Financial Suitability

We have not uncovered any information that Baldwin does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

The investigation has confirmed that Baldwin has not made any prohibitive political contributions in Massachusetts that violate M.G.L. c. 23K, § 46 or 205 CMR 108.00.

12. Significant Investigative Issues

None.

13. References

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

The above-named references were contacted and queried regarding the character and integrity of Baldwin. All three references indicated that Baldwin was of the highest character and integrity. [REDACTED]

[REDACTED] No derogatory information was developed which would preclude Baldwin from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did not reveal any derogatory and adverse items relative to Baldwin. He is mentioned numerous times on the Internet, however no adverse information was found regarding this individual.

15. Conclusion

Based on our investigation there were no known facts that would disqualify Robert H. Baldwin based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

H. William A. Bible

The investigation of William Alan Bible, Director, MGM Resorts International, did not reveal any derogatory information which would impact on his suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier's Name and Verified Information

Research of available online public records, documents provided by Bible and our investigation has verified the following information:

Name: William Alan Bible

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Employment History

Research and our investigation confirmed that Bible is currently employed as a Director of MGM Resorts International. Bible indicated in his PHDF that he has been employed at the following companies during the timeframes noted. He also served as an Independent Consultant to Green Valley Ranch Gaming, and Aliante Gaming, during 2010 and 2011. This was confirmed through public records sources, an interview with the applicant on June 12, 2013, and review of the applicant's financial records and tax returns.

- MGM Resorts International March 2010 to Present
- Nevada Resort Association November 1999 to March 2010
- State of Nevada Gaming Control Board January 1989 to September 1998

During his interview, Bible indicated that his time as an independent consultant with Green Valley Ranch Gaming and Aliante Gaming principally involved marketing the two properties for sale, as well as investigating fraud in the refinancing of Green Valley Ranch Gaming.

3. Criminal Record

[REDACTED]

4. Education

Bible disclosed that he attended Stanford University from September 1963 to June 1967 where he received a Bachelor of Arts Degree in Liberal Arts in June 1967 and the University of Nevada-Reno from January 1969 to January 1971, where he received an MBA in January 1971. Consultation with these educational institutions has confirmed that Bible received a Bachelor of Arts Degree in History from Stanford University on June 18, 1967 and an MBA from University Nevada-Reno on January 26, 1971.

5. Professional and Gaming Licenses

Bible did not disclose any non-gaming professional licenses in his PHDF and research did not reveal any such licenses for him.

Bible has disclosed that he has applied for qualification in various gaming jurisdictions in the US. We requested verification of certain US licenses from the appropriate regulatory agencies as noted in the Scope and Methodology section of this report. The results of those inquiries, which verified the applicant's disclosure, have been received and no negative or derogatory information is noted.

6. Directorships and Stockholdings

Research of available Dun & Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports and assorted company records and our investigation has revealed no business affiliations for Bible. He is the Chairman of the State Athletic Commission Steroid/Drug Testing Advisory Panel. This is consistent with the information disclosed by Bible in his PHDF and was confirmed during his interview.

Bible has disclosed that he does not own a minimum of 5 percent in any business entity.

Research and our investigation verified this information. Bible's business interests are discussed in greater detail in the Financial Suitability section of this report.

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States has revealed no records personally naming Bible, other than a divorce record. He was named in numerous ERISA cases by virtue of his position as a Trustee with the Hotel Employees & Restaurant Employees International Union Pension and Welfare Funds and numerous material lawsuits by virtue of his position with the Nevada Resort Association.

Bible indicated in his interview that the pension and welfare funds cases involved the collection of contributions employers failed to make on behalf of their employees who were in the Hotel Employees & Restaurant Employees International Union. He also indicated the lawsuits during his tenure with the Nevada Resort Association were typically election related.

8. Bankruptcy

[REDACTED]

9. Property Ownership

[REDACTED]

[Redacted text block]

10. Financial Suitability Evaluation

[Redacted text block]

d. Income Analysis

[Redacted text block]

Net Worth Analysis

[Redacted text block]

Assets

[REDACTED]

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Liabilities

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Conclusion as to Financial Suitability

We have not uncovered any information that Bible does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

The investigation has confirmed that Bible has not made any prohibitive political contributions in Massachusetts that violate M.G.L. c. 23K, § 46 or 205 CMR 108.00.

12. Significant Investigative Issues

None.

13. References

- Steve DuCharme,⁶² [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

The above-named references were contacted and queried regarding the character and integrity of Bible. All three references indicated that Bible was of the highest character and integrity. [REDACTED]

[REDACTED] No derogatory information was developed which would preclude Bible from being licensed by the Massachusetts Gaming Commission.

⁶² DuCharme is also an applicant for licensure.

14. Media Coverage

Research of available online and print media sources revealed several derogatory or adverse items relative to Bible. In 2003, there were allegations of improper lobbying activity at the Nevada Legislature while he was associated with the Nevada Resort Association, none of which was substantiated. In the late 90s, while he was Chairman of the Nevada Gaming Control Board, there were allegations of wide range corruption throughout the casino industry and the state's political infrastructure as a result of the investigation and prosecution of a former Gaming Control Board electronics expert. An investigation by the Attorney General found these allegations to be baseless.

- *The Associated Press State & Local Wire*, October 10, 2003: "Nevada gambling lobbyist: No coercion at Legislature." "Bill Bible, head of the Nevada Resort Association, sought to distance the group from reports that the FBI is reviewing allegations of improper lobbying activity at the Nevada legislature. Bible commented a day after the FBI confirmed a preliminary review is being conducted to see whether a formal probe is warranted and said the FBI had not interviewed him regarding the Legislature, adding "any businesses are perfectly within their legal rights to do business with whomever they choose." One area of concern was the loss of lucrative beer contracts that had been held by a distributor allegedly warned to support the gross receipts tax or face economic retaliation. Bible added, "If the allegation is that I or someone else tried to coerce him [Distributor Kurt Brown of Capital Beverages in Carson City] not to testify (against the tax), I did not do that and I have no knowledge of anyone else doing that," he said."
- *Las Vegas Review-Journal (Nevada)*, October 10, 2003: "Agents check reprisal rumor." "Three legislators said they have been told the FBI is checking into allegations that Lake Tahoe casinos stopped buying beer from a Carson City Budweiser distributor because he opposed a tax increase backed by the gaming industry. A legislator who requested anonymity claimed Kirk Brown, owner of Capital Beverages in Carson City "was told they would pull his Budweiser sales at the lake if he testified against gross receipts." Bill Bible, head of the Nevada Resort Association, did not return a phone message."
- *Reno Gazette-Journal*, June 29, 2003: "Assembly Republicans block passage of tax bill – again." "First term Assembly Republican Chad Christensen of Las Vegas claimed gaming lobbyists threatened to drive him from the Legislature if he didn't vote for the tax bill, and threatened his entire political career saying they would mount all of the resources necessary to make sure he didn't return. Bill Bible said he would not comment on Christensen's allegations, since Christensen would not name names or address specific issues."

- *The Associated Press State & Local Wire*, May 29, 2002: “Vegas judge orders ex-investigator to pay legal fees.” “A Las Vegas judge dismissed a suit filed by former Nevada attorney general investigator, Mike Anzalone, against his former boss, Attorney General Frankie Sue Del Papa. Anzalone filed the suit in 1998, arguing Del Papa ousted him because he refused to obtain bank records of the then-Gaming Control Board Chairman, Bill Bible, without a subpoena. Del Papa said Bible was investigated because there were claims that he had been offered or taken bribes. The claims however, turned out to be false. Del Papa also said a limited search was made of public records on Bible’s real estate holdings and vehicle registrations. Bible has said he thought De Papa gathered intelligence on him as part of an investigation of Ron Harris, a former Control Board electronics expert who pleaded guilty to slot cheating in 1996.”
- *Las Vegas Review-Journal (Nevada)*, April 11, 2000: “Mosley jumps ship before Walters affair sinks further.” “During the debriefed of Ron Harris, corrupt computer whiz told Chief Deputy Attorney General David Thompson about wide-ranging corruption throughout the casino industry and the state’s political infrastructure. Harris attempted to implicate everyone from then-Control Board Chairman Bill Bible to the Flying Elvin, in underhanded shenanigans. The attorney general’s office followed up with the allegations, found them to be baseless and stamped their report ‘confidential.’ Last week documents saw daylight as former attorney general investigator Mike Anzalone requested the background documentation as part of his pending lawsuit against state Attorney General Frankie Sue Del Papa.”
- *Las Vegas Review-Journal (Nevada)*, April 17, 1997: “Romano sues state gaming officials.” “Former American Coin Inc. partner Frank Romano filed a \$6 million lawsuit that accuses state gaming officials of violating his civil rights during their handling of Nevada’s most celebrated slot machine cheating case. Romano and his wife, filed the complaint in federal court against the state Gaming Control Board, the state Gaming Commission, and the state Attorney General Frankie Sue Del Papa. Bill Bible, Gaming Control Board Chairman, is also named in the suit.”
- *Las Vegas Review-Journal (Nevada)*, April 1, 1997: “Senator seeks inquiry into leaked tapes.” “Assemblyman Bernie Anderson said Legislature should not conduct an inquiry to determine how secret attorney general tapes ended up in the hands of ABC Television. Attorney General Frankie Sue Del Papa denied she leaked the tapes, in which Ron Harris, who pleaded guilty to four counts of slot machine cheating last year, claims that casino jackpots are regularly rigged and political leaders interceded on behalf of slot machine designers. Some observers contend the airing of the charges on the tapes has reduced Gaming Control Board Chairman Bill Bible’s chances of being appointed to a federal gaming commission.”

Additional items of an informational value have also been summarized below:

- *Reno Gazette-Journal (Nevada)*, November 30, 2010: “Sandoval announces transition advisory team.” “Governor elect Brian Sandoval announced his selection of 29 Nevadans to serve on his transition advisory team, who will provide input and feedback on a wide range of issues. Bill Bible, former executive of the Nevada Resort Association, is named as a member of the team.”
- *The Associated Press State & Local Wire*, February 16, 2008: “Judge tosses Nevada ballot plans to raise casino taxes.” “Carson City District Judge Bill Maddox on Friday rejected two ballot initiatives to raise taxes on Nevada’s biggest casinos to about 20 percent and generate up to \$2 billion a year for teachers’ pay, highway construction and other projects. He claimed the initiatives, filed by Las Vegas lawyer Kermitt Waters, don’t comply with the state law requiring an initiative to be limited to one subject. Bill Bible, head of the Nevada Resort Association, praised the judge’s decision stating “had this initiative gone forward and become law it would have had disastrous consequences for Nevada’s main industry and economic driver.”
- *The Associated Press State & Local Wire*, October 9, 2007: “Nevada teachers group pushing higher casino taxes.” “A Nevada teachers group announced plans to push a ballot initiative calling for higher taxes on the state’s biggest casinos to get more money for the state’s K-12 school system. The initiative would add another 3 percent tax on gambling revenues collected by Nevada’s biggest casinos, those that gross more than \$1 million a month. Bill Bible, head of the Nevada Gaming Association, challenged the plan, saying “Everyone knows and understands that if you raise taxes you reduce investment and the amount of jobs that are created as a result of that investment.” Bible also sighted another problem with the proposal as that it targets one industry.”
- *Las Vegas Review-Journal (Nevada)*, November 17, 2004: “Frustrated executives form new coalition.” “The unveiling of the Nevada Tourism Alliance, a new coalition formed by a group of businessmen, comes in the wake of disputes over the Las Vegas Chamber of Commerce’s decision to oppose new broad-based business taxes during the last legislative decision. Lorenzo Fertitta, Larry Ruvo and Bill Bible, president of Nevada Resort Association, mobilized in reaction to the legislative decision to start thinking about a new coalition.”
- *The Associated Press State & Local Wire*, July 17, 1999: “Bible elected chairman of Ethics Commission.” “Former Gaming Control Board chairman Bill Bible, who in September was named to a term on the Ethics Commission, has been elected chairman of the panel. Bible began serving a term on the ethics panel almost immediately after stepping down from 27 years in state government last year.
- *National Journal’s Congress Daily*, April 29, 1997: “Clinton Names Final Members of Gambling Commission.” “The White House today announced President Clinton’s three appointments to a federal gambling study commission, sparking outrage from critics who charged the selections tip the panel’s balance in favor of the casino industry. One of

Clinton's choices is decidedly pro-gambling, Bill Bible, Chairman of the Nevada Gaming Control Board."

- Federal Document Clearing House Congressional Testimony, September 29, 1995: "Testimony September 29, 1995 Richard Bryan Senator House Judiciary Examining the Impact of State Gambling." In a statement before the House Judiciary Committee, Senator Richard Bryan stated "I regret that you did not ask the top regulator of the industry, Bill Bible, son of former and well respected Senator Alan Bible, to testify here today. Bill Bible is tough. The Justice Department and the Treasury Department will tell you the same thing."
- "The Gambling Industry and Academic Research: Have Gambling Monies Tainted the Research Environment?" reports "After the NGISC, Bill Bible became president of the Nevada Resort Association, a major trade organization within the gambling industry. Bill Bible's wife began serving in the Nevada Attorney General's office in Las Vegas in 1991, and became the Assistant Chief Deputy Attorney General for Nevada in January 2001."

15. Conclusion

Based on our investigation there were no known facts that would disqualify William A. Bible based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

I. Burton M. Cohen

The investigation of Burton Mayer Cohen, Director, MGM Resorts International, did not reveal any derogatory information which would impact on his suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier's Name and Verified Information

Research of available online public records, documents provided by Cohen and our investigation has verified the following information:

Name: Burton Mayer Cohen

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Employment History

Research and our investigation confirmed that Cohen is currently employed as a Director, MGM Resorts International. Cohen indicated in his PHDF that he has been employed at the following companies during the timeframes noted. This was confirmed through public records sources, an interview with the applicant on June 11, 2013, and review of the applicant's financial records and tax returns.

- MGM Resorts International February 2010 to Present
- Self Employed Consultant June 1995 to February 2010

During his interview, Cohen indicated that his self-employment most notably included serving on the Compliance Committee for Boyd Gaming Corporation in 2010 and representing group interests and receiving royalty payments in an oil deal in Texas with Orion Petro Corporation.

3. Criminal Record

[REDACTED]

4. Education

Cohen disclosed that he attended the University of Florida from 1941 to 1942 but did not receive a degree; Hiram College in 1943, but did not receive a degree and the University of Miami, where he received an LLB Degree in 1948. Consultation with these institutions confirmed the applicant attended the University of Florida and did not receive a degree, was unable to confirm his attendance at Hiram College, and verified that Cohen received a Juris Doctor from the University of Miami, School of Law on July 31, 1948.

During his interview, Cohen indicated that he attended Hiram College for a short time awaiting assignment during the war as a service credit in lieu of military flight school.

5. Professional and Gaming Licenses

Cohen disclosed that he is a licensed Attorney in Florida. Research and our investigation have verified that Cohen is a licensed Attorney in Florida and the license is currently Inactive. No derogatory information or sanctions are noted for this license.

Cohen has disclosed that he has applied for qualification in various gaming jurisdictions in the US. We requested verification of certain US licenses from the appropriate regulatory agencies as noted in the Scope and Methodology section of this report. The results of those inquiries, which verified the applicant's disclosure, have been received and no negative or derogatory information is noted.

6. Directorships and Stockholdings

Research of available Dun & Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports and assorted company records and our

investigation has revealed the following business affiliations for Cohen in addition to being a Trustee for the Burton M. Cohen Trust:

- Anti-Defamation League Honorary Board Member and Past President
- Sunrise Hospital & Med Ctr Chairman of the Board of Trustees

This is consistent with the information disclosed by Cohen in his PHDF and was confirmed during his interview.

Cohen has disclosed that he does not own a minimum of 5 percent in any business entities. Research and our have investigation verified this information.

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States has revealed no records personally naming Cohen. He was named in a shareholder derivative action by virtue of his position on the Board of Dunes Hotels and Casinos Inc.

8. Bankruptcy

[REDACTED]

9. Property Ownership

[REDACTED]

10. Financial Suitability Evaluation

[REDACTED]

[Redacted]

Income Analysis

[Redacted]

Net Worth Analysis

[Redacted]

Assets

[Redacted]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Liabilities

[REDACTED]

Conclusion as to Financial Suitability

We have not uncovered any information that Cohen does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

The investigation has confirmed that Cohen has not made any prohibitive political contributions in Massachusetts that violate M.G.L. c. 23K, § 46 or 205 CMR 108.00.

12. Significant Investigative Issues

None.

13. References

- [REDACTED]
- [REDACTED]
- Tony Mandekic,⁶³ [REDACTED]
[REDACTED]

The above-named references were contacted and queried regarding the character and integrity of Cohen. All three references indicated that Cohen was of the highest character and integrity. [REDACTED]

[REDACTED] No derogatory information was developed which would preclude Cohen from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did not reveal any derogatory and adverse items relative to Cohen. He is mentioned numerous times on the Internet, however no adverse information was found regarding this individual.

15. Conclusion

Based on our investigation there were no known facts that would disqualify Cohen based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

⁶³ Manekic is also an applicant for licensure.

J. Willie D. Davis

The investigation of Willie D. Davis, Director, MGM Resorts International, did not reveal any derogatory information which would impact on his suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier's Name and Verified Information

Research of available online public records, documents provided by Davis and our investigation has verified the following information:

Name: Willie D. Davis

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Employment History

Research and our investigation confirmed that Davis is currently employed as Director, MGM Resorts International. Davis indicated in his PHDF that he has been employed at the following company during the timeframe noted: All Pro Broadcasting Inc., 1976 – present. This was confirmed through public records sources, an interview with the applicant on June 11, 2013, and review of the applicant's financial records and tax returns. Davis previously played professional football with the Cleveland Browns and Green Bay Packers from 1958-1969.

3. Criminal Record

[REDACTED]

[REDACTED]

[REDACTED]



4. Education

Davis disclosed that he attended Grambling College from 1952 to 1956, where he received a Bachelor of Science Degree in Education in 1956, and the University of Chicago from 1965 to 1968 where he received an MBA in 1968. Consultation with these educational institutions confirmed that Davis received a Bachelor of Science Degree in Secondary Education- Industrial Arts from Grambling College on May 28, 1956, and an MBA from the University of Chicago on June 7, 1968.

During his interview, Davis indicated that he also attended Case Western Reserve from 1968 to 1969, majoring in Physical education, but did not receive a degree. Consultation with Case Western Reserve revealed no attendance record for Davis.

5. Professional and Gaming Licenses

Davis did not disclose any non-gaming professional licenses in his PHDF and research did not reveal any such licenses for Davis.

Davis has disclosed that he has applied for qualification in various gaming jurisdictions in the US. We requested verification of certain US licenses from the appropriate regulatory agencies as noted in the Scope and Methodology section of this report. The results of those inquiries, which verified the applicant's disclosure, have been received and no negative or derogatory information is noted.

6. Directorships and Stockholdings

Research of available Dun & Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports and assorted company records and our investigation have revealed the following business affiliations for Davis. He is also the Trustee for the Willie D. Davis Living Trust and Willie D. Davis Family Limited Partnership.

- Fidelity National Financial Director
- Epsilon Technologies Partner

- All Pro Broadcasting Inc. President/Owner

This is consistent with the information disclosed by Davis in his PHDF and was confirmed during his interview.

Davis has disclosed that he owns a minimum of 5 percent in the following business entities:

- All Pro Broadcasting
- Epsilon Technologies LLC

Research and our investigation have verified this information. Davis's business interests are discussed in greater detail in the Financial Suitability section of this report.

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States has revealed no records personally naming Davis other than a Divorce Record. He was named in numerous federal lawsuits and numerous Delaware Chancery Court lawsuits by virtue of his business affiliations with Strong Capital Management Inc., MGM, Fidelity National Financial Inc., Dow Chemical Corporation and Rally's Hamburgers Inc. These consisted of Stockholder Suits, Securities/Commodities Suits, Corporate Civil Suits and Labor ERISA cases.

The following case which was not disclosed by Davis is of special interest.

US District Court, District of Maryland (Baltimore)

Case Name: Coleman v. Strong Financial Corporation, et al.

Case Number: 1:04-CV-00523

Date Filed: 3/8/2004

Date Terminated: 12/20/2010

Lead Case: 1:04-MD-15864

Case in Other Court: USDC Ea. Dist. of Wisconsin 03-00862 (transferred)

Nature of Suit: Securities/Commodities

Plaintiff: Gregory D. Coleman; Sean Wilson; Niki Tsetsekos; Brian Munroe; Terry Mintz; Ryan Marshall; Rachel Foley; et al.

Defendant: Richard Strong; Willie D. Davis; Strong Capital

Management Inc.; Strong Financial Corporation; Canary Capital Partners LLC; et al.

The complaint alleged breach of fiduciary duties on the part of the defendants who allegedly participated in a manipulative scheme to enrich themselves at the expense of the funds through "market timing" and trading in shares of the funds after the close of the financial

markets each day, commonly called “late trading.” Regarding Davis, the complaint alleged that as one of six director defendants, his behavior constituted willful misfeasance, bad faith, gross negligence, and reckless disregard of their duties as they managed 27 investment companies with 72 Funds.

Richard Strong and Strong Financial Company agreed to a \$175 million settlement with state and federal regulators to settle the allegations. The settlement included a \$60 million penalty against Richard Strong and barred Strong for life from any association with any investment advisor, company, broker, dealer, municipal securities dealer or transfer agent. Canary Capital paid a \$10 million fine and \$30 million in restitution. During his interview, Davis indicated that he was on the Board of Strong Capital Management Inc. until the company dissolved. He believed that Richard Strong was misled by advisors on the trading and how it would actually occur. Davis asserted that all the trading was done through Strong and he was never directly involved in any of it. Davis indicated he did not disclose the litigation because he was not named personally and has been included in numerous lawsuits by virtue of his position as a Director on various Boards. He indicated he was not assessed any personal liability as a result of the final settlement. Research and our investigation found nothing to the contrary.

8. Bankruptcy

[REDACTED]

9. Property Ownership

[REDACTED]

[REDACTED]

10. Financial Suitability Evaluation

[REDACTED]

Income Analysis

[REDACTED]

Net Worth Analysis

[REDACTED]

[Redacted]

Assets

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[Redacted text block]

Liabilities

[Redacted text block]

[Redacted text block containing multiple lines of obscured content]

[REDACTED]

Conclusion as to Financial Suitability

We have not uncovered any information that Davis does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

The investigation has confirmed that Davis has not made any prohibitive political contributions in Massachusetts that violate M.G.L. c. 23K, § 46 or 205 CMR 108.00.

12. Significant Investigative Issues

None.

13. References

- [REDACTED]

The above-named references were contacted and queried regarding the character and integrity of Davis. All three references indicated that Davis was of the highest character and integrity. A [REDACTED]

[REDACTED] No derogatory information was developed which would preclude Davis from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did reveal adverse items relative to Davis and his relationship with Strong Capital Management in the 1990s. He is mentioned

[REDACTED]

numerous times on the Internet, however no adverse information was found regarding this individual.

15. Conclusion

Based on our investigation there were no known facts that would disqualify Willie D. Davis based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

K. Alexis M. Herman

The investigation of Alexis Margaret Herman, a Director of MGM Resorts International, did not reveal any derogatory information which would impact on her suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier's Name and Verified Information

Research of available online public records, documents provided by Herman, and our investigation has verified the following information:

Name: Alexis Margaret Herman

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Employment History

Research has confirmed that Herman is currently a Director of MGM Resorts International.

Herman indicated in her PHDF that she has been employed at the following companies during the timeframes noted.

- New Ventures (Washington, D.C.) 2001 to Present
- United States Secretary of Labor 1997 to 2001
- United States Director of Public Liaison 1992 to 1996

Additional Directorships are set forth below. This was confirmed during our investigation, through an interview with the applicant, and a review of the applicant's financial records and tax returns.

3. Criminal Record

[REDACTED]

4. Education

Herman disclosed that she attended Edgewood College, Xavier University of Louisiana, and the University of South Alabama. She indicated that she attended Edgewood College between 1965 and 1967 and she did not receive a degree. Our consultation with Edgewood College confirms that she attended this college from the fall of 1965 to the winter of 1966; she did not receive a degree. Herman also disclosed that she attended Xavier University of Louisiana between 1967 and 1969 and that she received a Bachelor of Science degree in 1969. However our consultation with Xavier University of Louisiana verified that she received a Bachelor of Arts degree in Sociology from this University on May 19, 1969. Herman subsequently provided documentation from the registrar's office at Xavier University of Louisiana for this degree verifying this information, including she received the Bachelor of Arts degree. Herman also disclosed that she attended the University of South Alabama from 1970 to 1972 and she did not receive a degree. Our consultation with the University of South Alabama confirmed that she attended this University from September 28, 1970 to December 14, 1971; however she did not receive a degree. Herman confirmed this educational information and the Bachelor of Arts degree she received, during her interview.

5. Professional and Gaming Licenses

Herman did not disclose any non-gaming professional licenses in her PHDF and research did not reveal any such licenses for Herman.

Herman has disclosed that she has applied for qualification in various gaming jurisdictions in the US. We requested verification of certain US licenses from the appropriate regulatory agencies as noted in the Scope and Methodology section of this report. The result of

those inquiries, which verified the applicant's disclosure, have been received and no negative or derogatory information is noted.

6. Directorships and Stockholdings

Research of available Dun & Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports, assorted company records, and our investigation has revealed the following business affiliations for Herman:

- MGM Resorts International Director
- New Ventures LLC Chairwoman
- Coca Cola Company Director
- Sodexo Inc. Advisory Board Member
- Entergy Corporation Director
- Cummins Inc. Director
- Toyota Advisory Board Board Member
- National Urban League Trustee
- Clinton Bush Haiti Fund Board Member
- National Labor College Board Member

This is consistent with the information disclosed by Herman in her PHDF and she verified this information during her interview.

Herman has disclosed that she owns a minimum of 5 percent in the following business entity: Visual Edge LLC, [REDACTED] Research and our investigation have verified this information.

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States has revealed the following records personally naming Herman.

Our research located a Judgment and Lien filing on January 13, 1998, with the District of Columbia; where the Creditor is the District of Columbia and the Debtor is A.M. Herman and Associates and Alexis M. Herman. The amount of the judgment/lien was \$2,285. During her interview, Herman indicated she had no knowledge of this lien.

Herman has been involved in civil litigation involving stockholder's lawsuits due to her position with MGM Resorts International or their subsidiaries. Our research of these lawsuits disclosed one specific case where there were allegations in the complaint concerning "insider trading" on the part of some of the officers and directors. This case is listed below:

US District Court, District of Nevada (Las Vegas)

Case Name: Guerrero v. Murren et al.
Case Number: 2:09-cv-01815-KJD-RJJ
Plaintiff: Mario Guerrero, derivatively on Behalf of MGM Mirage.
Defendants: MGM Mirage; Alexis Herman et al.
Date Filed: September 14, 2009
Nature of Suit: Stockholder's Suit
Case Status: Pending
Consolidated with Shamberger v. Lanni et al, Case No. 2:09-cv-01817-KJD-RJJ filed in the same court.

This case is a stockholder's lawsuit alleging that the Directors and Officers of MGM Mirage provided false statements to the investing public to artificially inflate MGM's stock price; while several of the defendants sold their personally held stock to profit from inside stock trading. Herman was a Director at MGM Mirage at the time, and one of the allegations in this US District Court lawsuit was that Herman sold 19,800 shares of MGM stock for proceeds of \$1,750,967. During her interview, Herman was asked whether she sold MGM stock during the relevant period August 2, 2007, to the date of the filing of the complaint as alleged in the complaint and Herman advised that she did sell stock, but she did not know when she sold it. Our research with the Securities and Exchange Commission showed that Herman did sell a large amount of MGM Mirage stock on December 14, 2007. This case is still pending.

During her interview, Herman acknowledged that she had no specific knowledge of any of the other stockholder lawsuits involving her.

Research and our investigation did not reveal any other personal litigation, liens, judgments, or court actions involving Herman in her personal capacity and she did not disclose any in her PHDF. Our research located over one thousand United States District Court cases in which Alexis Herman is named as a party due to her former position as Secretary of Labor of the United States.

8. Bankruptcy

[REDACTED]

9. Property Ownership

[REDACTED]

10. Financial Suitability Evaluation

[REDACTED]

Income Analysis

[REDACTED]

[REDACTED]

Net Worth Analysis

[REDACTED]

Assets

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
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[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
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[REDACTED]

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[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

[Redacted text block]

[Redacted text block]

Liabilities

[Redacted text block]

[REDACTED]

Conclusion as to Financial Suitability

We have not uncovered any information that Herman does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

The investigation has confirmed that Herman has not made any prohibitive political contributions in Massachusetts that violate M.G.L. c. 23K, § 46 or 205 CMR 108.00.

12. Significant Investigative Issues

None.

13. References

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

The above-named references were contacted and queried regarding the character and integrity of Herman. All three references indicated that Herman was of the highest character and integrity. [REDACTED]

[REDACTED] No derogatory information was developed which would preclude Herman from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did not reveal any derogatory or adverse items relative to Herman. She is mentioned numerous times on the Internet, especially in her former capacity as Secretary of Labor. However no materially adverse information was found regarding this individual. The following article concerns a conclusion she was not involved in soliciting alleged illegal campaign contributions:

- *Mobile Register (Alabama)* – April 5, 2010: “Ten years ago: Ending a two-year investigation, an independent counsel cleared Labor Secretary Alexis Herman of allegations that she’d solicited \$250,000 in illegal campaign contributions.”

15. Conclusion

Based on our investigation there were no known facts that would disqualify Herman based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

L. Roland A. Hernandez

The investigation of Roland Anthony Hernandez, a Director of MGM Resorts International, did not reveal any derogatory information which would impact on his suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier's Name and Verified Information

Research of available online public records, documents provided by Hernandez, and our investigation has verified the following information:

Name: Roland Anthony Hernandez

[REDACTED]

2. Employment History

Research has confirmed that Hernandez is currently a Director of MGM Resorts International. Hernandez indicated in his PHDF that he has been employed at the following companies during the timeframes noted.

- Hernandez Media Ventures 2001 to Present
- Telemundo Group Inc. 1995 to 2000
- Inter-Con Security Systems Inc. 1987 to 1995

This was confirmed during our investigation, through an interview with the applicant, and a review of the applicant's financial records and tax returns.

3. Criminal Record

[REDACTED]

4. Education

Hernandez disclosed that he attended Harvard University from September 1975 to June 1979 and he received a Bachelor of Arts degree in Economics in 1979. He also disclosed that he attended Harvard Law School from September 1979 to September 1981 and he received a Juris Doctor degree in 1981. Our consultation with Harvard University confirmed that Hernandez attended and he received a Bachelor of Arts degree in Economics from this university on June 7, 1979. Our consultation with Harvard Law School confirmed that Hernandez attended this law school and he received a Juris Doctor degree from this law school on June 10, 1982. It should be noted that Hernandez's information in his PHDF for the date which he received his Juris Doctor degree is different from the official records from the registrar's office at Harvard Law School. Hernandez verified during his interview that Harvard Law School's date for the Juris Doctor degree was accurate.

5. Professional and Gaming Licenses

Hernandez has disclosed in his PHDF that he is a licensed attorney in California from 1983 to present. Research and our investigation verified that Hernandez is licensed as an attorney in California since June 3, 1983, holding license No. 108394. This license is currently inactive and there is no derogatory information or disciplinary actions noted for this license. Our consultation with the California Bar Association confirmed this information; Hernandez verified this information during his interview.

Hernandez has disclosed that he has applied for qualification in various gaming jurisdictions in US and International jurisdictions. We requested verification of certain US licenses from the appropriate regulatory agencies as noted in the Scope and Methodology section of this report. The results of those inquiries, which verified the applicant's disclosure, have been received and no negative or derogatory information is noted.

6. Directorships and Stockholdings

Research of available Dun & Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports, assorted company records, and our investigation has revealed the following business affiliations for Hernandez:

- MGM Resorts International Director

- US Bank Director
- Vail Resorts Inc. Director
- Hernandez Media Ventures Founder/President/CEO
- 64 West Valley LLC Member/Co-Owner
- HIC Broadcast Inc. President
- Orient Express Hotels Director/Chairman Of Board

Hernandez indicated in his interview that, effective June 28, 2013, he will hold the above positions with Orient Express Hotels and he will be stepping down as a Director for Sony Corporation the following week after his interview. Hernandez is also a Trustee for the Margarita Palau Hernandez Irrevocable Trust and the Hernandez Family Living Trust of 1993. This is consistent with the information disclosed by Hernandez in his PHDF and Hernandez verified this information during his interview and through documents he provided.

Hernandez has disclosed that he owns a minimum of 5 percent in the following business entities:

- Hernandez Media Ventures [REDACTED]
- 64 West Valley LLC [REDACTED]
- HIC Broadcast Inc. [REDACTED]
- Inter-Con Security Systems Inc. [REDACTED]

Research and our investigation have verified this information. Hernandez’s business interests are discussed in greater detail in the Financial Suitability section of this report.

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States has revealed the following records personally naming Hernandez.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Our research also located numerous civil litigation cases including stockholders lawsuits involving Hernandez as a result of his positions as a Director or Officer for Wal-Mart Stores Inc., Lehman Brothers Holdings Inc., MGM Resorts International and its subsidiaries, Inter-Con Securities System Inc., The Ryland Group, Beneficial Corporation, and other companies with which he was involved. The civil litigation involving Lehman Brothers Holdings Inc. involved the company filing for bankruptcy which was one of the largest bankruptcy cases in the US. During his interview, Hernandez advised that all of these cases were a direct result of his positions with these companies and they were not personal litigation cases involving him. He also advised that these cases were always handled by the corporate attorneys and he would be unaware of the status or the dispositions of these specific cases due how this type of corporate litigation is handled. When reviewing the specific cases with Hernandez, he indicated that he had no specific knowledge of the cases we were discussing.

Research and our investigation did not reveal any other personal litigation involving Hernandez and he did not disclose any personal litigation in his PHDF.

During his interview, Hernandez indicated that he has no other knowledge of any liens, judgments, or court actions against him.

8. Bankruptcy

[REDACTED]

[REDACTED]

9. Property Ownership

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

10. Financial Suitability Evaluation

[REDACTED]

Income Analysis

[REDACTED]

Net Worth Analysis

[REDACTED]

Assets

[REDACTED]

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[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Liabilities

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Conclusion as to Financial Suitability

We have not uncovered any information that Hernandez does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

The investigation has confirmed that Hernandez has not made any prohibitive political contributions in Massachusetts that violate M.G.L. c. 23K, § 46 or 205 CMR 108.00.

12. Significant Investigative Issues

None.

13. References

[REDACTED]

The above-named references were contacted and queried regarding the character and integrity of Hernandez. All three references indicated that Hernandez was of the highest character and integrity. [REDACTED]

No derogatory information was developed which would preclude Hernandez from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did reveal several derogatory or adverse items relative to Hernandez. Some of these derogatory articles were directly related to

Hernandez's Director position with Lehman's Brothers Holdings Inc. which filed for bankruptcy. There was also a derogatory article concerning Hernandez while he held a Director position with Wal-Mart Stores Inc. and he was the Chairman of the Audit Committee. This article cited concerns about allegations ranging from discrimination to employee fraud to illegal immigrant workers; calling for Hernandez to create a special committee to look into the allegations. Several articles adverse to Inter-Con Security Systems Inc., were also located.

- *Troubled Company Reporter* – December 14, 2011: Lehman Brothers Holdings Inc. obtained court order authorizing Endurance Specialty Insurance Ltd. and four other insurance firms to pay the defense costs of its current and former officers and employees. In a related development, Judge James Peck approved a motion by Richard Fuld Jr. and other Lehman officials Christopher M. O'Meara, Erin M. Callan, Michael L. Ainslie, John F. Akers, Roger S. Berlind, Thomas H. Cruikshank, Marsha Johnson Evans, Sir Christopher Gent, Roland A. Hernandez, Henry Kaufman and John D. Macomber to allow the payment of \$90 million to settle the New York suit, and \$1.05 million to settle the suits filed by city officials in California.
- *Troubled Company Reporter* – October 26, 2009: Robert Lowinger on August 19, 2009, filed in the US District Court in the District of Nevada a purported class action against defendants MGM Mirage, J. Terrence Lanni, James J. Murren, Daniel J. D'Arrigo and Robert H. Baldwin alleging federal securities laws violations. The complaint includes two counts: (i) violation of Section 10(b) of the Exchange Act of 1934, as amended, and Rule 10b-5 thereunder against all defendants, and (ii) violation of Section 20(a) of the Exchange Act of 1934, as amended, against the individual defendants. On September 14, 2009, Mario Guerrero filed in the US District Court in the District of Nevada a purported shareholder derivative action against individual defendants James J. Murren, J. Terrence Lanni, Robert H. Baldwin, Gary N. Jacobs, Alan Feldman, Bruce Gebhardt, Phyllis A. James, Punam Mathur, Bryan Wright, Kirk Kerkorian, Willie D. Davis, Kenny C. Guinn, Alexander M. Haig Jr., Alexis Herman, Roland Hernandez, Anthony Mandekic, Rose McKinney-James, Daniel J. Taylor and Melvin B. Wolzinger, and the Company as a nominal defendant.
- *Arkansas Democrat-Gazette* – October 24, 2008: Three Northwest Arkansas residents filed suit Wednesday against officers and members of the Lehman Brothers Holdings Inc. board for false and misleading statements when the three, and possibly thousands like them, invested in bonds offered through the Wall Street investment bank. Cecil Mease and Rena Caldwell of Washington County and Guy Warden of Benton County invested in bonds offered at various times by Lehman Brothers over the past two years. Individuals named as defendants in the

complaints are Richard S. Fuld Jr. as chief executive officer and chairman of Lehman; Christopher M. O'Meara as chief financial officer of Lehman and Michael L. Ainslie, John F. Akers, Rogers S. Berlind, Thomas H. Cruikshank, Marsha Johnson Evans, Sir Christopher Gent, Roland A. Hernandez, Henry Kaufman and John D. Macomber as members of Lehman's board.

- *MarketWatch* – June 1, 2005: An influential group of Wal-Mart shareholders that controls more than \$545.8 million in stock called on the retailer Wednesday to get its compliance house in order. In a letter to Roland Hernandez, chairman of Wal-Mart's audit committee, the group said it had "serious concerns" about the avalanche of allegations ranging from discrimination to employee fraud to illegal immigrant workers. It wants Wal-Mart to create a special committee of independent directors to investigate the allegations and is seeking a probe of Wal-Mart's internal system of checks and balances.
- *Associated Press* – July 13, 1999: The chief executive of Telemundo Group Inc. has apologized to Houston Astros owner Drayton McLane for allegations last month by executives of KTMD-TV that McLane made derogatory remarks about Hispanics. Roland Hernandez, chairman and CEO of Los Angeles-based Telemundo, said Monday he thinks KTMD station manager Marco Camacho misunderstood McLane during a June 3 discussion.
- *Los Angeles Sentinel* – May 15, 2008: Hundreds of Kaiser Permanente security officers throughout the state of California have launched a strike to protest unfair labor practices by employer Inter-Con Security. Dozens of security officers gathered on Sunset and Vermont, and then marched in front of Kaiser Permanente on Thursday, May 8. "Kaiser officers are taking a stance today to protect our rights and we're not going to take it anymore," said LaRonda Letch, a security guard at Kaiser. "Inter-Con is breaking the law. They are threatening and harassing workers. We're striking to protect our civil rights. We're not going to take Inter-Con's abuse anymore. Since November 2005, 1,500 Inter-Con security officers in California have been working to improve security and working conditions by forming a union with Service Employees International Union (SEIU). They are the only workers at Kaiser either direct employees or subcontracted-who do not have a union.
- *San Jose Mercury News* – March 20, 2008: A federal jury has awarded a security guard more than \$800,000 after her employer ignored reports that she was sexually assaulted by a supervisor working for the state. The jury found that Inter-Con Security Systems conspired with a Department of General Services manager to fire Sharon Paterson.
- *Class Action Reporter* – November 19, 2007: Current and former security officers of Inter-Con Security Services Inc., protecting Kaiser Permanente hospitals and

other sites throughout California, filed a class action in the US District Court for the Northern District of California over alleged violation of federal and state labor laws by the company. Plaintiffs allege that Inter-Con unlawfully requires its security guards to attend 15-minute security briefings prior to each eight-hour shift, without paying them.

- *PT Newswire* – November 14, 2006: The National Labor Relations Board has announced that it finds merit in the charges that Kaiser Permanente security contractor, Inter-Con Security Services, interfered with its employees’ rights under federal labor law by attempting to unlawfully limit their speech about wages, benefits, and working conditions. The federal government’s latest finding comes weeks after security officers in Kaiser hospitals filed a very significant lawsuit against Inter-Con charging that the company requires them to work unpaid overtime each day. The lawsuit has been joined by hundreds of Inter-Con security officers at Kaiser facilities throughout the state, who all allege that they were forced to work overtime without receiving pay.
- *Africa News* – May 13, 2005: The recent acquittal of 16 employees of the American-owned Inter-Con Security Service (ISS) appears not to have ended the case. Reports say 12 of them have been arrested again despite a criminal appearance bond they had posted against their previous arrests following their lawyer’s pleas with the management to reinstate them in the wake of their acquittal in a “felonious restraint” case. Inter-Con management brought the case against its employees some time ago after they staged a strike action in demand of their salary arrears and fringe benefits. The complaint against the workers alleged that they besieged the American embassy compound and illegally locked the two gates, preventing employees and other citizens from entering and departing the embassy. They are said to have also allegedly threatened the lives of other INTER-CON employees who refused to join them in their strike action, the charges further said.

15. Conclusion

Based on our investigation there were no known facts that would disqualify Hernandez based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

M. Rose E. McKinney-James

The investigation of Rose Enid McKinney-James, a Director of MGM Resorts International, did not reveal any derogatory information which would impact on her suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier's Name and Verified Information

Research of available online public records, documents provided by McKinney-James, and our investigation has verified the following information:

Name: Rose Enid McKinney-James

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Employment History

Research and our investigation confirmed that McKinney-James is currently a Director of MGM Resorts International. McKinney-James indicated in her PHDF that she has been employed at the following companies during the timeframes noted.

- Energy Works Consulting LLC March 2002 to Present
- Zions Public Finance January 2007 to Present
- Brown & Partners August 2001 to March 2002
- Faiss Foley Merica March 2000 to July 2001
- CSTRR January 1995 to March 2000
- Nevada Dept. of Business & Industry Sept. 1993 to December 1995

This was confirmed during our investigation, through an interview with the applicant, and a review of the applicant's financial records and tax documents.

3. Criminal Record

[REDACTED]

4. Education

She disclosed that she attended Olivet College from September 1969 to May 1973 and she received a Bachelor of Arts degree in Liberal Arts in 1973. Our consultation with Olivet College confirmed that Rose Enid Thornton (McKinney-James maiden name) attended this college and she received a Bachelor of Arts degree in Liberal Arts from this college on May 13, 1973. McKinney-James also disclosed that she attended Antioch School of Law, Antioch University-Yellow Springs, from September 1973 to May 1976 and she received a Juris Doctor degree in 1976. Our consultation with Antioch College-Yellow Springs confirmed that Rose Enid Thornton attended this College and she received a Juris Doctor degree from this college on

May 16, 1976. During her initial interview, McKinney-James confirmed that the degrees were received in her maiden name, Rose Enid Thornton.

5. Professional and Gaming Licenses

McKinney-James did not disclose any non-gaming professional licenses in her PHDF and research did not reveal any such licenses for McKinney-James.

McKinney-James has disclosed that she has applied for qualification in various gaming jurisdictions in the US. We requested verification of certain US licenses from the appropriate regulatory agencies as noted in the Scope and Methodology section of this report. The result of those inquiries, which verified the applicant's disclosure, have been received and no negative or derogatory information is noted.

6. Directorships and Stockholdings

Research of available Dun & Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports, assorted company records, and our investigation has revealed the following business affiliations for McKinney-James:

- MGM Resorts International Director
- Energy Works Consulting LLC Managing Principal
- Toyota Financial Savings Bank Director
- Nevada Partners Inc. Director
- Three Square Director
- Smith Center For The Performing Arts Director
- American Council For An Energy Efficient Economy Director
- American Association in Blacks in Energy Director
- Alliance to Save Energy Director
- Clean Energy Project Inc. Chair/Board of Directors

This is consistent with the information disclosed by McKinney-James in her PHDF and she confirmed this information during her initial interview and through a subsequent follow-up interview on July 1, 2013.

McKinney-James has disclosed that she owns a minimum of 5 percent in the following business entities, which research has confirmed:

- Energy Works Consulting LLC [REDACTED]
- Five Squared Strategies LLC [REDACTED]

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States has revealed the following records personally naming McKinney-James.

McKinney-James listed in her PHDF that there was a sewer lien filed by the City of Las Vegas in 2007, where she missed paying her annual bill and that she paid the lien in full and it was released. She confirmed this information during her interview.

McKinney-James has been involved in civil litigation involving stockholder's lawsuits due to her position with MGM Resorts International or their subsidiaries. Our research of these lawsuits disclosed one specific case where there were allegations in the complaint concerning "insider trading" on the part of some of the officers and directors. This case is listed below:

US District Court, District of Nevada (Las Vegas)

Case Name: Guerrero v. Murren et al.
Case Number: 2:09-cv-01815-KJD-RJJ
Plaintiff: Mario Guerrero, derivatively on Behalf of MGM Mirage.
Defendants: MGM Mirage; Rose McKinney-James et al.
Date Filed: September 14, 2009
Nature of Suit: Stockholder's Suit
Case Status: Pending

Consolidated with Shamberger v. Lanni et al, Case No. 2:09-cv-01817-KJD-RJJ filed in the same court.

This case is a stockholder's lawsuit alleging that the Directors and Officers of MGM Mirage provided false statements to the investing public to artificially inflate MGM's stock price; while several of the defendants sold their personally held stock to profit from "inside stock trading." McKinney-James was a Director at MGM Mirage at the time and one of the allegations in this US District Court lawsuit was that McKinney-James sold 6,000 shares of MGM stock for proceeds of \$501,300. During her interview, McKinney-James was asked whether she sold MGM stock during the relevant period August 2, 2007, to the date of the filing of the complaint as alleged in the complaint and McKinney-James advised that the information concerning the sale of the stock in the complaint was not correct. Our research with the Securities and Exchange Commission showed that McKinney-James did sell 6,000 shares of MGM Mirage stock during the relevant period as alleged in the civil complaint. During a follow-up interview with

McKinney-James on July 1, 2013, she indicated that her understanding of the question in the first interview dealt with the sale of 6,000 shares of MGM stock for \$501,300 and her response during that interview dealt with the amount of money the stock sold for which did not seem correct. She indicated in her follow-up interview that she reviewed the SEC Form 4's for the sale of the stock and that she did in fact sell 6,000 shares of MGM stock during that period; however the amount that she made on the sale would have been different than the allegation. This follow-up interview clarified her answer concerning this matter. This case is still pending.

During her interview, McKinney-James acknowledged that she had no specific knowledge of any of the other stockholder lawsuits involving her. She indicated that she was not aware of the details of the litigation and that all of these cases were as a result of her position as a Director with MGM (or its' subsidiaries).

Research and our investigation did not reveal any other personal litigation involving McKinney-James and she did not disclose any personal litigation in her PHDF.

McKinney-James indicated that she has no other knowledge of any liens, judgments, or court actions against her.

8. Bankruptcy

[REDACTED]

9. Property Ownership

[REDACTED]

[REDACTED]

10. Financial Suitability Evaluation

[REDACTED]

Income Analysis

[REDACTED]

Net Worth Analysis

[REDACTED]

[Redacted text block]

Assets

[Redacted text block]

[Redacted text block]

[Redacted]

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[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Liabilities

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[REDACTED]

Conclusion as to Financial Suitability

We have not uncovered any information that McKinney-James does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

The investigation has confirmed that McKinney-James has not made any prohibitive political contributions in Massachusetts that violate M.G.L. c. 23K, § 46 or 205 CMR 108.00.

12. Significant Investigative Issues

None.

13. References

[REDACTED]

The above-named references were contacted and queried regarding the character and integrity of McKinney-James. All three references indicated that McKinney-James was of the highest character and integrity. [REDACTED]

[REDACTED] No derogatory information was developed which would preclude McKinney-James from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did not reveal any derogatory or adverse items relative to McKinney-James. She is mentioned numerous times on the Internet, however no adverse information was found regarding this individual.

15. Conclusion

Based on our investigation there were no known facts that would disqualify McKinney-James based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

N. Robert C. Selwood

The investigation of Robert Colcord Selwood, the Executive Vice President and Chief Accounting Officer of MGM Resorts International, did not reveal any derogatory information which would impact on his suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier's Name and Verified Information

Research of available online public records, documents provided by Selwood, and our investigation has verified the following information:

Name: Robert Colcord Selwood

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Employment History

Research and our investigation confirmed that Selwood is currently the Executive Vice President and Chief Accounting Officer of MGM Resorts International. Selwood indicated in his PHDF that he has been employed at the following companies during the timeframes noted.

- MGM Resorts International December 2000 to Present
- Mirage Resorts Inc. March 1992 to December 2000

This was confirmed during our investigation, through an interview with the applicant, and a review of the applicant's financial records and tax returns.

3. Criminal Record

[REDACTED]

4. Education

Selwood disclosed that he attended the University of California-Davis between September 1972 and June 1974 and he did not receive a degree. He also disclosed that he attended the University of California-Berkeley between September 1974 and June 1976 and he received a Bachelor of Science degree in Business Administration in 1976 and he disclosed that he attended the same University between September 1976 and June 1977 and he received a Master of Business Administration degree in 1977. Our consultation with the University of California-Davis confirms Selwood's attendance at the University during those time periods; he did not receive a degree. Our consultation with the University of California-Berkeley confirmed that Selwood received a Bachelor of Science degree in Business Administration from this University on June 19, 1976, and he received a Master of Business Administration degree from this same University on June 18, 1977.

5. Professional and Gaming Licenses

Selwood disclosed in his PHDF that he has been licensed as a Certified Public Accountant in California since July 1980 and also as a Certified Public Accountant in Nevada since July 1988. Our consultation with the California State Board of Accountancy verified that Selwood is a licensed Certified Public Accountant in California since July 25, 1980, holding license No. 30279. This license is listed as active and the license was set to expire on March 31, 2013. Our consultation with the Nevada State Board of Accountancy also verified that Selwood is a licensed Certified Public Accountant in Nevada since July 12, 1988, holding license No. CPA-1779R. This license is listed as active and the license expires on December 31, 2013. No derogatory information or sanctions are noted for these licenses. Selwood confirmed this

information during his interview and he advised that he renewed his California license which now has an expiration date of March 31, 2015.

Selwood has disclosed that he has applied for qualification in various gaming jurisdictions in the US. We requested verification of certain US licenses from the appropriate regulatory agencies as noted in the Scope and Methodology section of this report. The result of those inquiries, which verified the applicant's disclosure, have been received and no negative or derogatory information is noted.

6. Directorships and Stockholdings

Research of available Dun & Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports, assorted company records, and our investigation has revealed the following business affiliations for Selwood:

- MGM Resorts International Executive V.P./Chief Accounting Officer

This is consistent with the information disclosed by Selwood in his PHDF and he verified this information during his interview.

Selwood has disclosed that he does not own a minimum of 5 percent in any business entity.

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States did not reveal any records personally naming Selwood. Selwood confirmed this information during his interview.

8. Bankruptcy

[REDACTED]

9. Property Ownership

[REDACTED]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

10. Financial Suitability Evaluation

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Income Analysis

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Net Worth Analysis

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Assets

[Redacted]

[Redacted]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Liabilities

[REDACTED]

[REDACTED]

[REDACTED]

Conclusion as to Financial Suitability

We have not uncovered any information that Selwood does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

The investigation has confirmed that Selwood has not made any prohibitive political contributions in Massachusetts that violate M.G.L. c. 23K, § 46 or 205 CMR 108.00.

12. Significant Investigative Issues

None.

13. References

- Daniel John D'Arrigo,⁶⁵ [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The above-named references were contacted and queried regarding the character and integrity of Selwood. All three references indicated that Selwood was of the highest character and integrity. All references denied any issues with alcohol, narcotics, gambling or any other issues that would impinge on Selwood's suitability to be involved in the casino industry. No derogatory information was developed which would preclude Selwood from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did not reveal any derogatory or adverse items relative to Selwood. He is mentioned numerous times on the Internet, however no adverse information was found regarding this individual.

15. Conclusion

Based on our investigation there were no known facts that would disqualify Selwood based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

⁶⁵ D'Arrigo is also an applicant for licensure.

O. Thomas A. Peterman

The investigation of Thomas Allan Peterman, Senior Vice President – Chief Compliance Officer, MGM Resorts International, did not reveal any derogatory information which would impact on his suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier's Name and Verified Information

Research of available online public records, documents provided by Peterman and our investigation has verified the following information:

Name: Thomas Allan Peterman

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Employment History

Research and our investigation have confirmed that Peterman is currently employed as a Senior Vice President – Chief Compliance Officer, MGM Resorts International. Peterman indicated in his PHDF that he has been employed at the following companies during the timeframes noted. This was confirmed through public records sources, an interview with the applicant on June 11, 2013, and review of the applicant's financial records and tax returns.

- MGM Resorts International May 2013 to Present
- MGM Resorts International Operations Inc. May 2013 to Present
- MGM Grand Hotel & Casino December 1992 to April 2013
- Bally's Grand April 1986 to December 1992

3. Criminal Record

[REDACTED]

4. Education

Peterman disclosed that he attended the University of Wisconsin from September, 1969 to June, 1973 where he received a Bachelor of Arts Degree in Political Science with Distinction in June 1973; the University of Miami Law School from September 1973 to June 1974 but did not receive a degree; and the University of Wisconsin from September 1974 to June 1976, where he received an Juris Doctorate in June, 1976. Consultation with these educational institutions confirmed that Peterman received a Bachelor of Arts Degree in Political Science with Distinction from the University of Wisconsin on May 19, 1973 and a Juris Doctor graduating Cum Laude from the University of Wisconsin on May 29, 1976.

5. Professional and Gaming Licenses

Peterman has disclosed in his PHDF that he is a licensed Attorney in Wisconsin and Nevada. Research and our investigation verified that Peterman is a licensed Attorney in Wisconsin and Nevada. The Wisconsin license is currently Inactive. No derogatory information or sanctions are noted for these licenses.

Peterman has disclosed that he has applied for qualification in various gaming jurisdictions in the US. We requested verification of certain US licenses from the appropriate regulatory agencies as noted in the Scope and Methodology section of this report. The results of those inquiries, which verified the applicant's disclosure, have been received and no negative or derogatory information is noted.

6. Directorships and Stockholdings

Research of available Dun & Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports and assorted company records and our investigation has revealed no business affiliations for Peterman other than being a Trustee for the Thomas A. Peterman Living Trust. This is consistent with the information disclosed by Peterman in his PHDF and was confirmed during his interview.

Peterman has disclosed that he owns a minimum of 5 percent in the following business entity: Ahwatukee Medical Center LLC, [REDACTED].

Research and our investigation verified this information. Peterman's business interests are discussed in greater detail in the Financial Suitability section of this report.

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States has revealed no records personally naming Peterman other than Divorce Records. He was named in two Other Torts suits by virtue of his position with MGM Grand Hotel Inc.

8. Bankruptcy

[REDACTED]

9. Property Ownership

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

10. Financial Suitability Evaluation

[REDACTED]

Income Analysis

[REDACTED]

[REDACTED]

Net Worth Analysis

[REDACTED]

Assets

[REDACTED]

[Redacted text block]

[Redacted text block]

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[Redacted text block]

Conclusion as to Financial Suitability

We have not uncovered any information that Peterman does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

The investigation has confirmed that Peterman has not made any prohibitive political contributions in Massachusetts that violate M.G.L. c. 23K, § 46 or 205 CMR 108.00.

12. Significant Investigative Issues

None.

13. References

- [REDACTED]
- [REDACTED]
- John McManus,⁶⁶ [REDACTED]

The above-named references were contacted and queried regarding the character and integrity of Peterman. All three references indicated that Peterman was of the highest character and integrity. [REDACTED]

[REDACTED] No derogatory information was developed which would preclude Peterman from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did not reveal any derogatory and adverse items relative to Peterman. He is mentioned numerous times on the Internet, however no adverse information was found regarding this individual.

⁶⁶ McManus is also an applicant for licensure.

15. Conclusion

Based on our investigation there were no known facts that would disqualify Peterman based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

P. Gregory M. Spierkel

The investigation of Gregory Mark Spierkel, Director, MGM Resorts International, did not reveal any derogatory information which would impact on his suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier's Name and Verified Information

Research of available online public records, documents provided by Spierkel and our investigation has verified the following information:

Name: Gregory Mark Spierkel

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Employment History

Research and our investigation confirmed that Spierkel is currently employed as Director, MGM Resorts International. Spierkel indicated in his PHDF that he has been employed at the following companies during the timeframes noted. This was confirmed through public records sources, an interview with the applicant on July 12, 2013, and review of the applicant's financial records and tax returns.

- MGM Resorts International April 2013 to Present
- Retired February 2012 to April 2013
- Ingram Micro Inc. July 1997 to April 2012
- Mitel Inc. April 1993 to June 1997

During his interview, Spierkel indicated he was doing some consulting work on a part-time basis during the year he was retired. None of the consulting was in the gaming business and was strictly limited to his industry expertise in the technology field.

3. Criminal Record

[REDACTED]

4. Education

Spierkel disclosed that he attended Carleton University, Ottawa, Canada, from September 1974 to May 1979 where he received a Bachelor of Commerce Degree in Marketing and Finance, and Georgetown University from September, 1994 to April, 1996 where he received an Executive Masters of Administration. Consultation with these educational institutions has confirmed that Spierkel received a Bachelor of Commerce Degree from Carleton University on June 1, 1979, and a Master of Business Administration from Georgetown University on March 30, 1996.

5. Professional and Gaming Licenses

Spierkel did not disclose any non-gaming professional licenses in his PHDF and research did not reveal any such licenses for Spierkel. Research did discover an active License in Virginia for Contractor Controlling Individuals. During his interview, Spierkel indicated he is not aware of this license. He was a General Manager of Technology Business for Mitel Inc. out of Herndon, VA, and suspects he may have received that designation as a result of being a senior executive overseeing government contracts in the technology arena.

Spierkel has disclosed that he has applied for qualification in various gaming jurisdictions in the US. We requested verification of certain US licenses from the appropriate regulatory agencies as noted in the Scope and Methodology section of this report. The results of those inquiries, which verified the applicant's disclosure, have been received and no negative or derogatory information is noted.

6. Directorships and Stockholdings

Research of available Dun & Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports and assorted company records and our investigation revealed the following business affiliation for Spierkel: Director, Paccar Inc.

This is consistent with the information disclosed by Spierkel in his PHDF and was confirmed in his interview.

Spierkel disclosed that he does not own a minimum of 5 percent in any business entity. Research and our investigation verified this information.

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States has revealed the no records personally naming Spierkel. The following SEC case was of interest since Spierkel was employed at Ingram Micro from 1997 to 2012, during which he was CEO for seven years.

US Securities and Exchange Commission

Administrative Proceeding Number: 3-13466

Case Name: In the matter of Ingram Micro, respondent

Nature of Proceedings: Order instituting cease and desist proceedings pursuant to Section 21C of the Securities and Exchange act of 1934 against Ingram Micro.

Result: Respondent submitted a settlement offer which the SEC has accepted.

In this proceeding, it is noted that Ingram Micro violated the books and records and internal controls provisions of the securities laws in the course of business dealings with McAfee Inc. during a period when McAfee was engaged in a financial fraud. This proceeding was prompted by the SEC v. McAfee Inc. (Lit. Rel. No. 19520) where the SEC charged McAfee with carrying out a channel-stuffing scheme from 1998-2000, in which it employed various manipulative accounting artifices and secretly provided its distributors with substantial cash payments, price discounts, rebates, and other concessions to continue buying and to not return excess inventory. The Commission found that, from the second quarter of 1998 through the third quarter of 2000, Ingram Micro engaged in a variety of highly irregular transactions with McAfee, many lacking economic substance, that enabled McAfee to oversell its products to Ingram Micro and report materially inflated revenues from those sales in its public statements and Commission filings. Ingram Micro's books, records, and accounts failed to accurately and fairly reflect its

transactions with McAfee, and Ingram Micro failed to devise and maintain a system of internal controls sufficient to provide reasonable assurance that its transactions were executed in accordance with management's general or specific authorization. As part of the settlement with the Commission, Ingram Micro paid a disgorgement of \$15 million.

During his interview, Spierkel indicated that at the time of the above matter he was involved with Asian and European Operations and physically located outside the country. He had no visibility to what was occurring and the scheme was limited to two individuals involved in the US operations of Ingram Micro. He indicated that he was Co-President in 2004, and then subsequently named CEO in 2005. He ensured that appropriate controls which had been implemented were maintained and instituted mandatory training in an effort to ensure this could not occur again.

8. Bankruptcy

[REDACTED]

9. Property Ownership

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

10. Financial Suitability Evaluation

[REDACTED]

Income Analysis

[REDACTED]

Net Worth Analysis

[REDACTED]

Assets

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

12. Significant Investigative Issues

None.

13. References

[REDACTED]
[REDACTED]
[REDACTED]

The above-named references were contacted and queried regarding the character and integrity of Spierkel. All three references indicated that Spierkel was of the highest character and integrity. [REDACTED]

[REDACTED] No derogatory information was developed which would preclude Spierkel from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did not reveal any derogatory or adverse items relative to Spierkel. He is mentioned numerous times on the Internet, however no adverse information was found regarding this individual.

15. Conclusion

Based on our investigation there were no known facts that would disqualify Gregory A. Spierkel based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

Q. Larry A. Mefford

The investigation of Larry Allan Mefford, the Senior Vice President of Global Security for MGM Resorts International, did not reveal any derogatory information which would impact on his suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier's Name and Verified Information

Research of available online public records, documents provided by Mefford, and our investigation has verified the following information:

Name: Larry Allan Mefford

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Employment History

Research and our investigation confirmed that Mefford is currently the Senior Vice President of Global Security for MGM Resorts International. Mefford indicated in his PHDF that he has been employed at the following companies during the timeframes noted.

- MGM Resorts International April 2013 to Present
- LM Global Consultants LLC December 2009 to April 2013

- Barclay’s Bank, UK May 2007 to December 2009
- Wynn Resorts December 2003 to April 2007
- Federal Bureau of Investigation August 1979 to October 2003

This was confirmed during our investigation, through an interview with the applicant, and a review of the applicant’s financial records and tax returns.

3. Criminal Record

[REDACTED]

4. Education

Mefford indicated that he attended the University of Nevada-Reno from August 1968 and 1970 and he did not receive a degree. He also disclosed that he again attended the University of Nevada-Reno from June 1972 and December 1976 and he received a Bachelor of Arts degree in 1976. Our consultation with the University of Nevada-Reno confirmed that Mefford attended this University during those time periods and he received a Bachelor of Arts degree in Criminal Justice from this University on December 21, 1976. He also disclosed that he attended Virginia Commonwealth University from January 1990 and May 1991 and he received a Master of Public Administration degree in 1991. Our consultation with Virginia Commonwealth University confirmed that Mefford attended the University during that time period and that he received a Master of Public Administration degree from this University on May 18, 1991.

5. Professional and Gaming Licenses

Mefford did not disclose any non-gaming professional licenses in his PHDF and research did not reveal any such licenses for Mefford.

Mefford has disclosed that he has applied for qualification in various gaming jurisdictions in the US. We requested verification of certain US licenses from the appropriate regulatory agencies as noted in the Scope and Methodology section of this report. The result of those

inquiries, which verified the applicant's disclosure, have been received and no negative or derogatory information is noted.

6. Directorships and Stockholdings

Research of available Dun & Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports, assorted company records, and our investigation has revealed the following business affiliations for Mefford:

- MGM Resorts International Senior Vice President Global Security
- LM Global Consultants LLC Owner/Director
- LDM Living Trust 2005 Trustee

This is consistent with the information disclosed by Mefford, and which he verified in an interview.

Mefford has disclosed, and research has verified, that he owns a minimum of 5 percent in the following business entity: LM Global Consultants LLC, [REDACTED].

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States did not reveal any records personally naming Mefford.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

During his interview, Mefford indicated that he has no other knowledge of any liens, judgments, or court actions against him.

8. Bankruptcy

[REDACTED]

[REDACTED]

[REDACTED]

Net Worth Analysis

[REDACTED]

Assets

[REDACTED]

13. References

[REDACTED]

[REDACTED]

[REDACTED]

The above-named references were contacted and queried regarding the character and integrity of Mefford. All three references indicated that Mefford was of the highest character and integrity. A [REDACTED]

[REDACTED] No derogatory information was developed which would preclude Mefford from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did reveal several derogatory or adverse items relative to Mefford; however these articles were the result of policy decisions he was involved in while being a top official with the Federal Bureau of Investigation.

- *The San Diego Union-Tribune*, June 13, 2004: “Letters to the Editor – Kerry right to question provisions of Patriot Act.” “Larry Mefford, a former FBI official, sweeps into San Diego and blasts Sen. John Kerry for comments he has made on the Patriot Act. In carrying the Republican Party line, Mefford is passing along a damaging interpretation.”

Additional items of an informational value have also been summarized below:

- *States News Service*, September 13, 2007: “Governor Romney Announces his Counter-Terrorism and Intelligence Policy Advisory Groups.” Governor Mitt Romney announced the Romney for President Counter-Terrorism and Intelligence Policy Advisory Groups, tasked with advising Governor Romney on issues vital to protecting the United States. Larry Mefford, 31-year veteran of the US law enforcement and intelligence communities, including 24 years with the FBI, is a member of the Advisory Group.
- *The New York Times*, October 9, 2003: “F.B.I.’s Counterterrorism Chief is Leaving after Three Months.” “The FBI official Larry Mefford is retiring at the end of October after 24 years with the bureau and will return to Nevada to assist Steve Wynn, the Las Vegas gambling magnate, in security and other operations. He was a law enforcement officer in Reno, before joining the bureau in 1979.”

15. Conclusion

Based on our investigation there were no known facts that would disqualify Larry A. Mefford based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

VIII. Tracinda Corporation

A. Overview

Tracinda Corporation (“Tracinda”) is a privately held investment firm that holds an 18.6 percent ownership interest in MGM Resorts International. It was incorporated in Nevada on June 23, 1976. Its principal place of business is 150 South Rodeo Drive, Suite 250, Beverly Hills, CA. Tracinda Corporation is beneficially owned entirely by Kirk Kerkorian.

Upon the entity’s formation, Kerkorian became the Chairman, Chief Executive Officer and President; Anthony L. Mandekic was appointed the Secretary/Treasurer. Both served in those respective positions until a special Board of Directors meeting on June 2, 2012, when Kerkorian tendered his written resignation dated June 15, 2012, as the Chief Executive Officer and President, and was elected Vice President of the Corporation for the unexpired terms of the office and until a successor has been elected; Mandekic was elected Chief Executive Officer, President and Secretary/Treasurer of the Corporation for the unexpired term of office and until a successor has been elected. Kerkorian is the sole member and Chairman of the Board of Directors.

There is no record of bankruptcy for this entity. We examined the relevant formation and governing documents, including the certified articles, amendments, and code of bylaws and are satisfied that the entity is controlled by the identified officers and single member Board of Directors.

Other names used by Tracinda are as follows:

- Tracinda Investment Corporation (June 23, 1976 to July 31, 1980)
- Tracinda Investment Corporation dba Cal-Neva Lodge (November 1976 to June 1980)
- Tracinda Corporation wholly owned D.I. Sub Inc. dba Stars Desert Inn (August 1991 to December 1994)

Tracinda’s primary business is to make investments in the common stock of publicly traded companies. During the last five years these investments have included MGM Resorts International, MGM China Holdings Ltd., Delta Petroleum, Ford Motor Company, and Tesoro Petroleum Corporation. Survival Pictures LLC, a single-member LLC wholly owned by

Tracinda, is a film producer. AKL Investment LLC, a single-member LLC wholly owned by Tracinda, owns investment real estate in California. Tracinda has approximately 20 employees.

Kerkorian has a long history of involvement with legalized gaming, particularly with MGM Resorts International. In 1973, Kerkorian opened the MGM Grand Hotel (now Bally's Las Vegas), which surpassed the International in Las Vegas as the largest hotel in the world. Following the sale of the MGM Grand Hotels in Las Vegas and Reno to Bally's, Kerkorian developed the present-day MGM Grand Hotel, which was opened in 1993. In 2000, Kerkorian led the acquisition of Mirage Resorts and, in 2004, the merger of MGM Mirage with Mandalay Resort Group. Prior to May 2009, through Tracinda Corporation Kerkorian was the controlling shareholder, holding approximately 55 percent of MGM Resorts International common stock. In May 2009 MGM Resorts International completed a stock offering which effectively diluted the Tracinda shareholding to approximately 39 percent. During the fourth quarter of 2010, Tracinda sold approximately 32 million shares of MGM's common stock in the open market, decreasing its ownership interests further; equity interest is currently 18.6 percent. See the following table, which sets forth Tracinda's stockholdings in MGM Resorts International from January 1, 2005, to August 31, 2013:

Date	Type of Transaction	Number of Shares	Running Total Number of Shares Held	Price per Share
1/1/2005	Holdings on January 1, 2005	81,196,432	81,196,432	Not Available
5/4/2005	Charitable donation	(2,000,000)	79,196,432	Not Available
5/18/2005	Company issued 2 for 1 stock dividend	79,196,432	158,392,864	Not Available
1/10/2007	Purchase pursuant to a Tender Offer	444,466	158,837,330	\$56.1
8/6/2007	Charitable donation	(5,000,000)	153,837,330	Not Available
3/5/2008	Charitable donation	(5,000,000)	148,837,330	Not Available
5/19/2009	Purchase pursuant to a Company share issuance	14,285,714	163,123,044	\$7.0
10/18/2010	Sale pursuant to an Underwriting Agreement	(27,782,000)	135,341,044	\$12.52
11/8/2010	Sale pursuant to an Underwriting Agreement	(4,167,300)	131,173,744	\$12.52
8/17/2011	Open market sale	(20,000,000)	111,173,744	\$10.7
2/27/2012	Open market sale	(20,000,000)	91,173,744	\$13.4
8/31/2013	Holdings on August 31, 2013	91,173,744	91,173,744	\$12.52

Further breakdown of Tracinda's MGM holdings revealed the following:

	Running Total Number of Shares Held	Total Number of MGM Shares Outstanding	Tracinda's percent of Holdings in MGM
5/18/2005	158,392,864	288,290,000	54.9%
8/6/2007	153,837,330	299,380,000	51.4%
3/5/2008	148,837,330	278,760,000	53.4%
5/19/2009	163,123,044	278,760,000	59.0%
11/8/2010	131,173,744	482,370,000	27.2%
8/17/2011	111,173,744	488,640,000	22.8%
2/27/2012	91,173,744	488,850,000	18.7%
8/31/2013	91,173,744	489,600,000	18.6%

The above analysis shows that Tracinda's MGM holdings decreased steadily since 2005 due to charitable contributions and underwriting/open market sales except for 2009, when additional shares were purchased. The 91,173,744 shares of MGM stocks held by Tracinda between February 27, 2012, and August 31, 2013, as reflected on the schedule provided above is consistent with the number of shares held as shown in the asset section of Tracinda's year-end (January 31, 2013) balance sheet as discussed in our review on the financial suitability of Tracinda.

Tracinda Corporation Chief Executive Officer, President and Secretary/Treasurer Anthony L. Mandekic, serves on the MGM Resorts International Board of Directors, as does Daniel J. Taylor, a Tracinda executive. Kerkorian served as a Director on the MGM Resorts International Board until June 2011, and now holds the title of Director Emeritus, and may attend meetings in a non-voting advisory capacity.

Tracinda has been found suitable for licensure in the following gaming jurisdictions, with no material sanctions or adverse actions reported: Michigan; Mississippi; New Jersey;⁶⁷ Nevada; Illinois; Kansas; South Africa (regarding MGM Grand – South Africa, which was divested in 2001); Australia (regarding MGM Grand Darwin, which was divested in 2004) and Isle of Man (in anticipation of online gaming). These are all jurisdictions wherein Tracinda submitted to licensure as a result of its equity interest in MGM Resorts International.

B. Media Coverage

Research of available online and print media sources did reveal derogatory and/or adverse items relative to Tracinda Corporation. It is noted that there are several items that name

⁶⁷ Tracinda's is not currently licensed in New Jersey; it voluntarily relinquished licensure when MGM Resorts International entered into a Stipulation of Settlement with the New Jersey Division of Gaming Enforcement in 2009. An application for re-licensure is pending.

Kerkorian rather than Tracinda; but they are related to the business affairs of Tracinda of whom Kerkorian is the sole owner. Tracinda is mentioned numerous times on the Internet. These items are summarized below:

- VegasInc.com reported on December 7, 2011, in the article “Kerkorian blames Las Vegas stock promoter for \$684 million loss” that Kirk Kerkorian’s investment company is suing a former friend of the casino billionaire charging that the Las Vegas man perpetrated a “massive” stock fraud costing Kerkorian most of his \$684 million investment in a Colorado energy company (Delta Petroleum Corp. of Denver). Besides investing in Delta Petroleum, Kerkorian appointed to the Delta board of directors two Tracinda executives, Anthony Mandekic and Daniel Taylor along with MGM Resorts International Chairman, James Murren. The suit was filed against Edward Michael Davis by Tracinda Corp.
- *Troubled Company Reporter* reported on October 26, 2009, that On September 14, 2009, Mario Guerrero filed in the US District Court in the District of Nevada a purported shareholder derivative action against individual defendants James J. Murren, J. Terrence Lanni, Robert H. Baldwin, Gary N. Jacobs, Alan Feldman, Bruce Gebhardt, Phyllis A. James, Punam Mathur, Bryan Wright, Kirk Kerkorian, Willie D. Davis, Kenny C. Guinn, Alexander M. Haig Jr., Alexis Herman, Roland Hernandez, Anthony Mandekic, Rose McKinney-James, Daniel J. Taylor and Melvin B. Wolzinger, and the Company as a nominal defendant.
- *Wall Street Journal* reported on April 17, 2009, reported that Activist investor Carl Icahn’s push for MGM Mirage to restructure in bankruptcy court pits him against troubled casino operator’s majority owner Kirk Kerkorian; Icahn and private-equity fund Oaktree Capital Management have separately acquired hundreds of millions of dollars of MGM Mirage debt in recent months; Kerkorian’s 53 percent stake is worth about \$900 million, down from \$14.9 billion in late 2007; could be wiped out in bankruptcy.
- *The Detroit Free Press* reported on September 4, 2008, that The US Securities and Exchange Commission sanctioned billionaire investor Kirk Kerkorian on Wednesday over his sale of General Motors Corp. stock in 2006, saying he misled the stock market about his attempts to unwind his stake. As part of a settlement with the SEC, Kerkorian’s firm, Tracinda, vowed to not violate SEC rules in the future. It also admitted no wrongdoing.
- *Class Action Reporter* reported on November 21, 2007, that Conrad Meyer, an investment banker from New York-based Gleacher Partners, on Monday, told a federal court that Chrysler Corporation shareholders were shortchanged by at least \$6.4 billion in the 1998 deal that combined the Michigan automaker with

Daimler-Benz AG of Germany, Dow Jones Business News reports. Meyer was the first of several experts on value expected to take the stand in Kirk Kerkorian's fraud lawsuit against DaimlerChrysler AG, the company that resulted from the merger. He said Chrysler should have been valued at \$43.6 billion in the deal, instead of the \$37.2 billion value put on the company for purposes of swapping its shares for shares in the new company being formed. Chrysler shareholders, who got about 42 percent of the equity in the new DaimlerChrysler, gave far more than they got, said Meyer, an expert hired by Kerkorian.

- *The Wall Street Journal* reported on September 19, 2007, that a Third US Circuit Court of Appeals upholds US District Court Judge Joseph Farnan's rejection of billionaire investor Kirk Kerkorian's claim that he was defrauded in 1998 merger of DaimlerBenz and Chrysler; affirms \$556,000 sanction against DaimlerChrysler for late production of documents that halted trial in December 2003.
- *The Philadelphia Inquirer* reported on April 9, 2005, that DaimlerChrysler AG didn't defraud billionaire investor Kirk Kerkorian in the 1998 corporate combination that created the US-German automaker, a federal judge said. In a decision released Thursday, US District Judge Joseph Farnan Jr. in Wilmington rejected Kerkorian's complaint that the company deceptively cast the merger as one of equals, thus costing him \$1 billion. Kerkorian, who's Tracinda Corp. was Chrysler's largest shareholder at the time, sued DaimlerChrysler in 2000, alleging that DaimlerBenz paid \$7 billion less for Chrysler because it couched its takeover as a merger.
- *Securities Class Action Reporter* reported on September 15, 2004, The US District Court for the Central District of California granted in part the dismissal of class action claims against Tracinda Corporation, owner Kirk Kerkorian and officer James Aljian, for alleged violations of the Securities and Exchange Act of 1934.
- *AFX.com* reported on August 23, 2004, that DaimlerChrysler AG's former major shareholder Kirk Kerkorian is facing potential suits from small shareholders who allege the US billionaire had violated insider trading laws when he sold his shares in 1999, Financial Times Deutschland said. It said a California court has now decided to admit a suit filed by small shareholders against Kerkorian, who sold his DaimlerChrysler shares about five years ago for a total of 661.6 Million USD. It said Kerkorian had sold the shares after receiving "strictly secret information from James Aljian, then a supervisory board member, that DaimlerChrysler faces problems in generating revenues and the company's cash flow is expected to decline.

C. Civil Litigation

Research of available online civil records, judgments, liens and UCC Filings in the United States has revealed records naming Tracinda Corporation. Because of Tracinda's significant equity interest in MGM Resorts International, it has been frequently named in lawsuits filed against MGM Resorts International. The following material lawsuit involves Tracinda specifically, and concerns its business practices:

- Donald Johnson, Individually and On Behalf of All Others Similarly Situated v. James D. Aljian, Kirk Kerkorian, Tracinda Corporation (Case Number: 03-5986 FMC PJWx; United States District Court, Central District of California)

In an action filed August 21, 2003, Plaintiff alleged Illegal Insider Trading and Contemporaneous Trading Liability based on Section 20A of the Securities Exchange Act. Plaintiff claimed that on February 24, 1999, Aljian attended a DaimlerChrysler's ("DCX") Shareholder's Committee Meeting at which the attendees were given a board report (the report), marked "strictly confidential" entitled "DaimlerChrysler Operative Planning 1999-2001." The report projected a significant free cash flow decline. After the meeting, Aljian returned to Tracinda's offices and placed the report in Tracinda's central files. These files were allegedly readily accessible to Kerkorian, and Aljian knew they were accessible to Kerkorian.

Plaintiff further claimed that in March 1999 Aljian obtained knowledge of information contained in the report regarding the decline in DCX's cash flow in 1999; that from March 19 through June 11, 1999 Tracinda sold 7,642,241 DCX shares for proceeds totaling \$661,677,282.; that shortly after these sales were completed, on July 29, 1999, information regarding DCX's declining cash flow went public resulting in a 8.8 percent decline in the stock's value. It was determined that Plaintiff sufficiently alleged that Aljian was a tipper, and that Tracinda and Kerkorian were tippees who may be subject to liability.

On September 16, 2010, a Settlement was reached and approved, and the Final Judgment and Order was entered. The Settlement created a fund of \$8,100,000 in cash, plus interest thereon, and DCX Class Members who submit valid Proofs of Claim will benefit from the DCX Net Settlement Fund created by Class Counsel; each plaintiff was awarded \$5,000 as reimbursement for their reasonable costs and expenses, and Class Counsel received 33 1/3 percent of the DCX Gross Settlement Fund in attorneys' fees and \$336,140.32 in reimbursement of expenses.

- **Tracinda Corporation v. Edward Michael Davis, et al** (Case Number: A-11-652801-B; District Court, State of Nevada)

This matter was filed by Tracinda Corporation against Edward M. Davis on December 6, 2011, alleging Davis induced Tracinda Corporation to invest \$684 million for a 35 percent stake in Delta Petroleum Corporation in 2007 through misrepresentations and omissions. Tracinda acquired 36 million shares in Delta Petroleum at an approximate cost of \$19 per share, after initially increasing in value the shares tumbled to less than \$1 at the time the lawsuit was filed. The defense alleged no wrongdoing, stating the economy, including the decline in oil prices, led to the loss. The matter was confidentially settled, and dismissed with prejudice on April 26, 2012. We note that on November 28, 2012, the Securities and Exchange Commission charged Delta Petroleum CEO Roger Parker with insider trading for leaking word of Tracinda's intended purchase of Delta Petroleum stock to other identified individuals.⁶⁸

We have also examined related 2011 litigation between Roger A. Parker and Tracinda venued in the state courts of California (docket no. SC112375) and Colorado (docket no. 2011CV561) involving enforcement of a promissory note executed by Parker, and Parker's claim he was fraudulently induced to execute the note. The matter was concluded in Tracinda's favor on August 27, 2012.

- We also identified a regulatory action initiated by the Securities and Exchange Commission (Washington D.C.) that pertained to incorrect statements in required filings:

Case Name: *In the Matter of Tracinda Corporation*

Administrative Proceeding No. *3-13157*

Nature: *Alleged violation of Securities Exchange Act of 1934*

Date of Disposition: *September 3, 2008*

Disposition: *Administrative Order – No penalty*

On September 3, 2008, without admitting or denying the findings of the Securities and Exchange Commission, Tracinda consented to the entry of an administrative order by the SEC pursuant to Section 21 of the Securities Exchange Act of 1934, as amended (Exchange Act). In the order, entitled In the Matter of Tracinda Corporation (the Order), the SEC found that Tracinda's failure to disclose a plan to sell 28 million shares of General Motors Corporation stock in a November 22, 2006, Schedule 13D amendment and its statement that it might acquire additional shares constituted violations of Section 13(d)(2) of the Exchange Act and Rules 12b-

⁶⁸ See SEC v. Michael Van Gilder and Roger Parker, Civil Action 12-CV-2839 (D.Colo.) (JLK).

20 and 13-2(a) under the Exchange Act. Simultaneously with the institution of the proceedings, Tracinda, without admitting or denying the findings in the order, consented to the entry of an SEC cease-and-desist order.

We have reviewed the Order in this matter, and it sets forth the following factual summary: “This matter concerns violations of the reporting provisions of Section 13(d) of the Exchange Act by Tracinda in connection with its ownership of 56 million shares, or 9.9%, of General Motors Corporation (“GM”) common stock. By November 20, 2006, Respondent had a plan to sell 28 million shares of GM stock. On that day, Respondent proposed selling 28 million shares of GM stock to a broker-dealer, but only sold 14 million shares because the bid offered by the broker-dealer for 28 million shares reflected a much deeper discount than Kerkorian was expecting. In Amendment No. 12 to its Schedule 13D filed on November 22, 2006, Respondent reported this sale of 14 million shares, but omitted to disclose its plan and proposal to sell the 28 million shares. This omission was material and violated Section 13(d)(2) of the Exchange Act and Rule 13d-2(a) thereunder because Respondent did not comply with Item 4(a) of Schedule 13D. Further, that amendment was materially misleading and violated Exchange Act Rule 12b-20 because it stated that Respondent might purchase or sell more GM stock, when there was only a remote possibility that it would buy any GM stock at that time.” No penalty was imposed pursuant to the Order.

We also reviewed other litigation involving Tracinda that was furnished by the Applicant in response to our request; the matters appear routine and do not impact upon Tracinda’s suitability for licensure. There are several shareholder derivative actions which name Tracinda and the Tracinda executives (Kerkorian, Mandekic and Taylor) due to their service on the MGM Resorts International board of directors. Such material shareholder derivative actions are set forth in the report of MGM Resorts International.

D. Financial Suitability Review

A suitability review of the financial performance of Tracinda has been conducted in order to ascertain its financial stability and integrity. Tracinda is the beneficial owner of approximately 91,173,744 shares (18.6 percent) of the outstanding common stock of MGM Resorts International and 25,358,400 shares (0.67 percent direct and 9.51 percent indirect) of outstanding common stock of [REDACTED]. As noted above,

Tracinda's primary business is to make investments in the common stock of publicly traded companies. As such, the business is substantially affected by market conditions. Investments include MGM Resorts International, [REDACTED], [REDACTED], Delta Petroleum, Ford Motor Company, and Tesoro Petroleum Corporation. Survival Pictures LLC, a single-member LLC wholly owned by Tracinda, is a film producer. AKL Investment LLC, a single-member LLC wholly owned by Tracinda, owns investment real estate in California. Total authorized capital stock of the corporation consists of twenty-five hundred voting shares, without par value. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

1. Conclusion as to Financial Stability and Financial Integrity

Our review of Tracinda's financial positions revealed that this entity has experienced and will likely to continue experience extreme swings in both directions in terms of revenues and losses from year to year. This is so because Tracinda is an entity set up to invest in various publicly traded stocks and the fluctuations are totally market dictated. Tracinda holds approximately 18.6 percent of the outstanding common stock of MGM Resorts International [REDACTED]

[REDACTED]

[REDACTED]

as well as other ownership interest in various movies productions and real estate investments through its two subsidiaries Survival Pictures LLC and ALK Investment LLC. Therefore, the revenue picture is extremely fluid as it fluctuates on a day-to-day basis and is directly correlated to market conditions. In terms of net worth, Tracinda maintains an extraordinary high total net worth notwithstanding it too can fluctuate significantly due to cash and cash equivalents holding as a result of its income being influenced by the market. Nothing was brought to our attention that would otherwise impact the financial integrity and stability of Tracinda.

E. Areas of Concern

We have identified an area of concern involving Tracinda's role in the Terry Christensen matter which is discussed in detail in section IV.J of this Report.

From our review and the conclusions reached in MGM's internal investigation, it appears that Christensen's post-conviction involvement in the business affairs of the Tracinda Corporation (and MGM Resorts International) derived from his relationship with Kerkorian, and Christensen drew on his position as a trusted advisor and sanctioned conduit of information to/from Kerkorian. Christensen's involvement in the business of Tracinda transcended its MGM Resorts International relationship; after his conviction Christensen also became involved in Tracinda business involving Delta Petroleum and Ford Motor Company. Moreover, Kerkorian supplied Christensen with an office at Tracinda after his post-conviction suspension from the practice of law required him to vacate his law office. [REDACTED]

[REDACTED]

[REDACTED]

Christensen's office arrangement at Tracinda began after his conviction, and ended only after intervention by gaming regulators. Tracinda and/or Kerkorian utilized the advice and counsel of Christensen for many years, and continued to do so after his indictment and subsequent conviction. The utilization of Christensen as a conduit of information between MGM and Kerkorian was not the only option available, as Tracinda senior executives Mandekic and

[REDACTED]

Taylor were actively involved in MGM-Tracinda business dealings and represented Tracinda with seats on the MGM Resorts International Board of Directors.

During our inquiry we conducted sworn interviews of Tracinda senior executives Anthony L. Mandekic and Daniel J. Taylor. It appears that Mandekic and Taylor had concerns regarding the propriety of Christensen's post-conviction involvement in MGM Resorts International and Tracinda corporate affairs. On at least one occasion, Mandekic discussed this with Kerkorian, but Christensen's involvement continued. Mandekic did take occasional ad hoc unilateral steps to distance Christensen from involvement in MGM Resorts International affairs.

Our request to conduct a sworn interview of Kirk Kerkorian (currently 96 years of age) was met with some resistance due to medical concerns; an unsworn interview took place on September 10, 2013. As set forth in further detail in the report section on the suitability of Kerkorian, in his interview Kerkorian stated he considered Christensen a good friend and advisor, had not had contact with him in "quite a while," and had no independent material recollection of the circumstances of Christensen's involvement in the corporate affairs at issue.

It is clear that Christensen was a long-time valued confidant of Kerkorian, and as an attorney had intimate knowledge of these entities gleaned from a long history of legal representation as outside counsel. Until May 2009, Tracinda Corporation was the controlling shareholder of MGM Resorts International, holding approximately 55 percent of its stock. It appears that Kerkorian's utilization of Christensen as a channel of communication (or at very least Christensen's representations to that end) was permitted to continue out of deference to Kerkorian. Indeed, James Murren, now CEO of MGM Resorts International, stated that after Christensen's resignation from the Board of Directors after his indictment, Christensen attended four or five Board meetings as Kerkorian's representative, sitting at the Board table with the directors – even though Tracinda senior executives Mandekic and Taylor both occupied Board seats on behalf of Tracinda's interests.

IX. Natural Person Qualifiers of Tracinda Corporation

A. Kirk Kerkorian

The investigation of Kirk Kerkorian, Director, Chairman and Vice President of Tracinda Corporation, did not reveal any derogatory information which would necessarily impact on his suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier's Name and Verified Information

Research of available online public records and documents provided by Kerkorian has verified the following information:

Name: Kirk Kerkorian⁷⁰

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Employment History

Research has confirmed that Kerkorian is currently employed as a Director and Vice President of his private holding company, Tracinda Corporation. Until June 2012, in addition to being a Director, he was also the President and Chief Executive Officer of the company.

In addition to Tracinda Corporation Kerkorian was concurrently employed in executive positions with the following companies related to his investment activities:

- Metro-Goldwyn-Mayer (MGM Grand) January 1979 – May 1980
- Metro-Goldwyn-Mayer (Movies) October 1969 – January 1979

Employment was confirmed through public records, documents provided by the qualifier, tax returns and other sources.

⁷⁰ Kerkorian has no middle name or initial.

3. Criminal Record

[REDACTED]

4. Education

Kerkorian did not attend school beyond the eighth grade.

5. Professional and Gaming Licenses

While our investigation did not disclose any active non-gaming professional licenses held by Kerkorian, he indicated in his PHDF that he has held the following licenses during the periods indicated:

- Commercial Pilot (FAA) 1941-1969
- Boxing Manager (CA) 1960-1961
- Amateur Boxer (CA) 1935-1938

A review of available historical documents and other sources indicate the above information is accurate. No derogatory information or sanctions were noted for those licenses.

Kerkorian has disclosed in his PHDF that he is licensed in numerous gaming jurisdictions. We requested verification of certain US non-tribal licenses from the appropriate regulatory agencies as noted in the Scope and Methodology section of this report. The results of those inquiries, which verified the applicant's disclosure, have been received and no negative or derogatory information is noted.

6. Directorships and Stockholdings

Research of available Dun & Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports and assorted company records has revealed the following business affiliations wherein Kerkorian acted as a director.

- MGM Resorts International 1997 – 2011

- The Lincy Foundation 1989 – 2011

This is consistent with the information disclosed by Kerkorian in his PHDF.

Kerkorian has disclosed that he owns a minimum of 5 percent in the following business entities:

- Tracinda Corporation
- Kirk Kerkorian dba Kirk Kerkorian

Research has verified this information.

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States and information provided by the applicant determined that he has been named over 40 lawsuits over the years. Almost without exception those lawsuits were directly related to Kerkorian's ownership in high-profile public companies such as MGM Resorts International, and Chrysler, as well as other investments through his privately held company, Tracinda Corporation. They are the type of lawsuits that occur routinely in the ordinary course of doing business and do not reflect negatively on suitability. Shareholder derivative lawsuits concerning Kerkorian's participation in MGM Resorts International are set forth in the MGM Resorts International litigation section.

The below listed case had its impetus in a personal issue between Kerkorian and his ex-wife, Lisa Bonder, over custody of their daughter. [REDACTED]

Superior Court, Los Angeles County, California

Case Number: BC316318 (and 21 others)

Case Name: Anita Busch v. Anthony Pellicano et. al.

Filing Date: 5/28/2004

Plaintiff: Lisa Bonder Kerkorian et. al.

Defendant: Kirk Kerkorian, et. al.

Disposition: Cases still pending as of May 7, 2013

The above case is one of several related cases that have been consolidated and are still open and pending pertaining to illegal wiretapping activities by Terry Christensen and Anthony Pellicano related to a well-publicized contested child support case involving Lisa Bonder Kerkorian and Kirk Kerkorian. Kirk Kerkorian is no longer a party in any of the actions.

8. Bankruptcy

[REDACTED]

9. Property Ownership

[REDACTED]

10. Financial Suitability Evaluation

[REDACTED]

Income Analysis

[REDACTED]

[REDACTED]

Net Worth Analysis

[REDACTED]

Assets

[REDACTED]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

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[Redacted]

Liabilities

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[REDACTED]

Conclusion as to Financial Suitability

We have not uncovered any information that the Kerkorian does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

The investigation has confirmed that Kerkorian has not made any prohibitive political contributions in Massachusetts that violate M.G.L. c. 23K, § 46 or 205 CMR 108.00.

12. Significant Investigative Issues

Kerkorian’s role in the Terry Christensen matter is set forth fully in Section IV.J of this Report.

13. References

- Burton Cohen,⁷¹ [REDACTED]
- Anthony Mandekic,⁷² [REDACTED]

The above-named references were contacted and queried regarding the character and integrity of Kerkorian. All three references indicated that Kerkorian was of the highest character and integrity. [REDACTED]

[REDACTED] No

⁷¹ Cohen is also an applicant for licensure.
⁷² Mandekic is also an applicant for licensure.

derogatory information was developed which would preclude Kerkorian from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did reveal derogatory and/or adverse items relative to Kerkorian. He is mentioned numerous times on the Internet. These items are summarized below:

- *Troubled Company Reporter* reported on March 15, 2012, that a former judge is opening a boutique litigation firm. Judge Holwell has participated in a number of the largest securities fraud matters to reach trial in recent decades. In addition to his widely praised handling of the Rajaratnam trial, he also presided over the 2011 securities class action trial against Vivendi – one of the few complex securities fraud trials to go to a jury verdict. In private practice, he and Shuster litigated over 30 civil and criminal suits in the US and abroad arising from the insolvency of Credit Lyonnais, including a highly publicized fraud action against Kirk Kerkorian relating to his sale of MGM Film Studios.
- VegasInc.com reported on December 7, 2011, in the article “Kerkorian blames Las Vegas stock promoter for \$684 million loss” that Kirk Kerkorian’s investment company is suing a former friend of the casino billionaire charging that the Las Vegas man perpetrated a “massive” stock fraud costing Kerkorian most of his \$684 million investment in a Colorado energy company (Delta Petroleum Corp. of Denver). Besides investing in Delta Petroleum, Kerkorian appointed to the Delta board of directors two Tracinda executives, Anthony Mandekic and Daniel Taylor along with MGM Resorts International Chairman, James Murren. The suit was filed against Edward Michael Davis by Tracinda Corp.
- *Troubled Company Reporter* reported on October 26, 2009, that On September 14, 2009, Mario Guerrero filed in the US District Court in the District of Nevada a purported shareholder derivative action against individual defendants James J. Murren, J. Terrence Lanni, Robert H. Baldwin, Gary N. Jacobs, Alan Feldman, Bruce Gebhardt, Phyllis A. James, Punam Mathur, Bryan Wright, Kirk Kerkorian, Willie D. Davis, Kenny C. Guinn, Alexander M. Haig Jr., Alexis Herman, Roland Hernandez, Anthony Mandekic, Rose McKinney-James, Daniel J. Taylor and Melvin B. Wolzinger, and the Company as a nominal defendant.
- *Wall Street Journal* reported on April 17, 2009, reported that activist investor Carl Icahn’s push for MGM Mirage to restructure in bankruptcy court pits him against troubled casino operator’s majority owner Kirk Kerkorian; Icahn and private-

equity fund Oaktree Capital Management have separately acquired hundreds of millions of dollars of MGM Mirage debt in recent months; Kerkorian's 53 percent stake is worth about \$900 million, down from \$14.9 billion in late 2007; could be wiped out in bankruptcy.

- *The New York Times* reported on March 5, 2009, that three co-defendants of Anthony Pellicano, the former Los Angeles private investigator who was convicted in a case that involved wiretapping in Hollywood, were sentenced on Tuesday for their roles in his operations, *The Associated Press* reported. Pellicano was found guilty last year of conspiring to wiretap and intimidate celebrities and executives, and of wire-tapping the former wife of the investor Kirk Kerkorian in a child-support case.
- *The Associated Press* reported on November 24, 2008, that a prominent Hollywood attorney has been sentenced to 36 months in prison for his role in a wiretapping scheme orchestrated by private eye Anthony Pellicano. Terry Christensen was sentenced by US District Judge Dale S. Fischer after being convicted of conspiracy to commit wiretapping and aiding and abetting a wiretap. He was sentenced to 36 months for each count, with the terms to run concurrently, along with three years' probation and a fine of \$250,000. He remains free pending an appeal. Pellicano and Christensen were accused of recording phone conversations of Lisa Bonder Kerkorian in an effort to disprove her claims that MGM mogul Kirk Kerkorian was the father of her young daughter. Pellicano also as convicted of illegal wiretapping and racketeering in a separate case earlier this year and is set to be sentenced next month.
- *The Detroit Free Press* reported on September 4, 2008, that The US Securities and Exchange Commission sanctioned billionaire investor Kirk Kerkorian on Wednesday over his sale of General Motors Corp. stock in 2006, saying he misled the stock market about his attempts to unwind his stake. As part of a settlement with the SEC, Kerkorian's firm, Tracinda, vowed to not violate SEC rules in the future. It also admitted no wrongdoing.
- *The Armenian Reporter* reported on August 30, 2008, that Earlier this month, one of the most prominent figures in Las Vegas – billionaire Kirk Kerkorian – made a rare public appearance in one of the highest-profile racketeering and wiretap cases in Hollywood. The 91-year-old recluse briefly took the stand on August 20 to testify on behalf of his longtime attorney, Terry Christensen, who, along with former “private eye to the stars” Anthony Pellicano, are being tried in federal court in connection with wiretapping Kerkorian's ex-wife, Lisa Bonder Kerkorian, in 2002.
- *Class Action Reporter* reported on November 21, 2007, that Conrad Meyer, an investment banker from New York-based Gleacher Partners, on Monday, told a

federal court that Chrysler Corporation shareholders were shortchanged by at least \$6.4 billion in the 1998 deal that combined the Michigan automaker with Daimler-Benz AG of Germany, Dow Jones Business News reports. Meyer was the first of several experts on value expected to take the stand in Kirk Kerkorian's fraud lawsuit against DaimlerChrysler AG, the company that resulted from the merger. He said Chrysler should have been valued at \$43.6 billion in the deal, instead of the \$37.2 billion value put on the company for purposes of swapping its shares for shares in the new company being formed. Chrysler shareholders, who got about 42 percent of the equity in the new DaimlerChrysler, gave far more than they got, said Mr. Meyer, an expert hired by Mr. Kerkorian.

- *The Wall Street Journal* reported on September 19, 2007, that a Third US Circuit Court of Appeals upholds US District Court Judge Joseph Farnan's rejection of billionaire investor Kirk Kerkorian's claim that he was defrauded in 1998 merger of DaimlerBenz and Chrysler; affirms \$556,000 sanction against DaimlerChrysler for late production of documents that halted trial in December 2003.
- *The Los Angeles Times* reported on January 23, 2007, that a federal judge Monday said she would personally review the government's investigation into the disclosure of confidential documents in the Anthony Pellicano wiretapping case, amid claims that the latest leak was triggered by a previously unreported FBI interview of billionaire Kirk Kerkorian. US District Judge Dale S. Fischer's decision followed an acrimonious hearing at which attorneys for Pellicano and for Kerkorian's longtime attorney, Terry Christensen, complained that the leaks to the New York Times had severely hurt their clients' rights to a fair trial.
- *The New York Times* Reported on January 11, 2007, that when Kirk Kerkorian's longtime lawyer was indicted on wiretapping and conspiracy charges last February in the federal investigation of the Hollywood private detective Anthony Pellicano, the billionaire investor was mentioned almost as an afterthought. There were no accusations that Mr. Kerkorian knew or approved of any wiretapping, and no indications that he had even been interviewed by the FBI about Mr. Pellicano's work on his behalf. But in recordings that Mr. Pellicano secretly made of his own telephone conversations, Mr. Kerkorian's lawyer, Terry N. Christensen, repeatedly said he told the billionaire – then 84, and locked in a legal dispute with his ex-wife, Lisa Bonder Kerkorian – what the private detective was learning from what prosecutors say were his wiretaps.
- *The Philadelphia Inquirer* reported on April 9, 2005, that DaimlerChrysler AG did not defraud billionaire investor Kirk Kerkorian in the 1998 corporate combination that created the US-German automaker, a federal judge said. In a decision released Thursday, US District Judge Joseph Farnan Jr. in Wilmington rejected Kerkorian's complaint that the company deceptively cast the merger as one of equals, thus costing him \$1 billion. Kerkorian, who's Tracinda Corp. was

Chrysler's largest shareholder at the time, sued DaimlerChrysler in 2000, alleging that DaimlerBenz paid \$7 billion less for Chrysler because it couched its takeover as a merger.

- *Securities Class Action Reporter* reported on September 15, 2004, The US District Court for the Central District of California granted in part the dismissal of class action claims against Tracinda Corporation, owner Kirk Kerkorian and officer James Aljian, for alleged violations of the Securities and Exchange Act of 1934.
- *AFX.com* reported on August 23, 2004, that DaimlerChrysler AG's former major shareholder Kirk Kerkorian is facing potential suits from small shareholders who allege the US billionaire had violated insider trading laws when he sold his shares in 1999, *Financial Times Deutschland* said. It said a California court has now decided to admit a suit filed by small shareholders against Kerkorian, who sold his DaimlerChrysler shares about five years ago for a total of 661.6 Million USD. It said Kerkorian had sold the shares after receiving "strictly secret information from James Aljian, then a supervisory board member, that DaimlerChrysler faces problems in generating revenues and the company's cash flow is expected to decline.

15. Conclusion

Based on our investigation there were no known facts that would necessarily disqualify Kirk Kerkorian based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

B. Anthony L. Mandekic

The investigation of Anthony L. Mandekic, Chief Executive Officer, President and Secretary/Treasurer of Tracinda Corporation and a member of the Board of Directors of MGM Resorts International, did not reveal any derogatory information which would necessarily impact on his suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier's Name and Verified Information

Research of available online public records, documents provided by Mandekic, and our investigation has verified the following information:

Name: Anthony Leo Mandekic

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Employment History

Research and our investigation confirmed that Mandekic is currently Chief Executive Officer, President and Secretary/Treasurer of Tracinda Corporation, and a Director of MGM Resorts International. Mandekic indicated in his PHDF that he has been employed at the following companies during the timeframes noted.

- MGM Resorts International May 2006 to Present
- Tracinda Corporation July 1976 to Present
- Kirk Kerkorian dba Kirk Kerkorian December 1969 to Present
- The Lincy Foundation October 1989 to February 2011
- 250 Rodeo Inc. August 1998 to December 2006

This was confirmed during our investigation, through an interview with the applicant, and a review of the applicant's financial records and tax returns.

3. Criminal Record

[REDACTED]

4. Education

Mandekic disclosed that he attended Los Angeles City College from September 1959 to June 1961 and he did not receive a degree. He also disclosed that he attended the University of Southern California-Los Angeles from September 1961 to June 1964 and he received a Bachelor of Science degree in Accounting in 1964. Our consultation with the City College of Los Angeles confirmed that Mandekic attended this college during those timeframes indicated; he did not receive a degree. Our consultation with the University of Southern California-Los Angeles, confirmed that Mandekic attended the University during those periods and he received a Bachelor of Science degree in Accounting from this University on June 11, 1964.

5. Professional and Gaming Licenses

Mandekic disclosed in his PHDF that he was licensed as a Certified Public Accountant in California between June 1976 and 1980; however he indicated the license is no longer active. Research and our investigation verified that Mandekic was a licensed Certified Public Accountant in California from June 25, 1976, holding license No. 23270E. This license is currently inactive and no derogatory information or sanctions are noted for this license. Our consultation with the California State Board of Accountancy and documents provided by Mandekic confirm this Certified Public Accountant license and status.

Mandekic has disclosed that he has applied for qualification in various gaming jurisdictions in the US. We requested verification of certain US licenses from the appropriate regulatory agencies as noted in the Scope and Methodology section of this report. The result of

those inquiries, which verified the applicant's disclosure, have been received and no negative or derogatory information is noted.

6. Directorships and Stockholdings

Research of available Dun & Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports, assorted company records, and our investigation has revealed the following business affiliations for Mandekic:

- MGM Resorts International Director
- Tracinda Corporation CEO/President/Secretary/Treasurer
- Kirk Kerkorian dba Kirk Kerkorian Controller
- Tracinda Retirement Plan and Trust Trustee

[REDACTED] This is consistent with the information disclosed by Mandekic in his PHDF and he verified this information during his interview.

Mandekic has disclosed that he does not own a minimum of 5 percent in any business entity. Research and our investigation have verified this information.

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States has revealed the following records personally naming Mandekic.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Research and our investigation did not reveal any other personal litigation involving Mandekic and he did not disclose any personal litigation in his PHDF.

Mandekic was involved in civil litigation including shareholder derivative lawsuits due to his positions with Tracinda Corporation and MGM Resorts International or their subsidiaries. Material shareholder derivative lawsuits are discussed in the MGM Resorts International significant litigation section of this Report.

During his interview, Mandekic indicated that he has no other knowledge of any liens, judgments, or court actions against him.

8. Bankruptcy

[REDACTED]

9. Property Ownership

[REDACTED]

10. Financial Suitability Evaluation

[REDACTED]

Income Analysis

[Redacted text block]

Net Worth Analysis

[Redacted text block]

Assets

[Redacted text block]

[Redacted text block]

Conclusion as to Financial Suitability

We have not uncovered any information that Mandekic does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

The investigation has confirmed that Mandekic has not made any prohibitive political contributions in Massachusetts that violate M.G.L. c. 23K, § 46 or 205 CMR 108.00.

12. Significant Investigative Issues

Mandekic's role in the Terry Christensen matter is set forth fully in Section IV.J of this Report. The investigation shows that Mandekic recognized the regulatory implications of Christensen's post-conviction involvement in corporate affairs of a licensee and took several steps to minimize, if not eliminate, Christensen's involvement; sought advice from MGM Resorts International then-General Counsel Gary Jacobs about Christensen's use of a Tracinda office (Jacobs advised that it was not a problem); and caused Christensen's removal from involvement in negotiations for the compensation packages of MGM Resorts International executives James Murren, Gary Jacobs and Robert Baldwin. When Christensen approached Mandekic regarding the issue, Mandekic told Christensen that he (Mandekic) would not take input from an outsider and that the matter was none of Christensen's business. On one other occasion, according to Taylor, Mandekic asked Christensen to leave his office when Christensen entered during a conference call on MGM Resorts International corporate matters.

The Investigators were puzzled that during his interview, Mandekic expressed a lack of recollection about the internal investigation into the Christensen matter and the subsequent remedial measures taken. Therefore, a follow-up telephone interview was conducted with him on November 25, 2013. During the telephone interview, Mandekic explained that he had been uncomfortable in the first interview, was unfamiliar with the interview format in the sense that he was not allowed to consult with counsel during the course of the interview, felt at times that he was being attacked by some of the questioning, and that he hesitated in some of his answers because he did not want to make a mistake. He also explained that he had had to wait for two and a half hours after the scheduled start time for the interview to begin. In contrast to the first interview when he relied on his memory of events, he explained that he prepared for the second

interview by reviewing a summary of the internal investigation. During this second interview (by telephone), Mandekic stated that he did recall with great clarity that he was reprimanded for his role in the Christensen matter in a face-to-face meeting with Hernandez. He repeated that he had tried to do the right thing at the time, and that he understands now that even though he went to General Counsel Jacobs about it he had a responsibility to do more when Christensen's involvement on MGM matters did not completely cease. Finally, Mandekic made clear in this second interview that it was his responsibility, not Taylor's, to communicate directly with Kerkorian about the impropriety of continued involvement by Christensen in MGM and Tracinda affairs.

13. References

- Daniel Joseph Taylor,⁷³

The above-named references were contacted and queried regarding the character and integrity of Mandekic. All three references indicated that Mandekic was of the highest character and integrity.

No derogatory information was developed which would preclude Mandekic from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did not reveal any derogatory or adverse items relative to Mandekic. He is mentioned numerous times on the Internet, however no adverse information was found regarding this individual.

⁷³ Taylor is a qualifier. See section VIII.C of this Report.

15. Conclusion

Based on our investigation there were no known facts that would necessarily disqualify Mandekic based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

C. Daniel J. Taylor

The investigation of Daniel Joseph Taylor, a member of the Board of Directors of MGM Resorts International and a senior executive of Tracinda Corporation, did not reveal any derogatory information which would necessarily impact on his suitability for licensure with the Massachusetts Gaming Commission..

1. Qualifier’s Name and Verified Information

Research of available online public records, documents provided by Taylor, and our investigation has verified the following information:

Name: Daniel Joseph Taylor

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Employment History

Research has confirmed that Taylor is currently a Director of MGM Resorts International, and a senior executive at Tracinda Corporation. Taylor is currently the Chairman of MGM's Compensation Committee and is a member of its Nominating & Corporate Governance Committee. Taylor indicated in his PHDF that he has been employed at the following companies during the timeframes noted.

- Tracinda Corporation February 2007 to Present
- Unemployed February 2006 to January 2007
- Metro Goldwyn Mayer Inc. August 1997 to January 2006
- Tracinda Corporation May 1991 to July 1997

This was confirmed during our investigation, through an interview with the applicant, and a review of the applicant's financial records and tax returns.

3. Criminal Record

[REDACTED]

4. Education

Taylor disclosed that he attended Central Michigan University from August 1974 to May 1978 and he received a Bachelor of Science degree in Business Administration in 1978. Our consultation with Central Michigan University confirmed that Taylor received a Bachelor of Science degree in Business Administration with a major in Accounting from this University on May 1, 1978. Documents provided by Taylor also confirm his dates of attendance at this University.

5. Professional and Gaming Licenses

Taylor disclosed in his PHDF that he was a Certified Public Accountant in Michigan between June 1980 and February 1982 and he was a Certified Public Accountant in California between April 1982 and May 1991. Research and our investigation verified that Taylor was a licensed Certified Public Accountant in Michigan from October 2, 1980, to December 31, 1983, holding license No. 1101011983. This license is currently revoked and no derogatory information or sanctions are noted on this license. Our consultation with the Michigan Department of Licensing and Regulatory Affairs confirm this Certified Public Accountant license and status. Research and our investigation also verified that Taylor was a licensed Certified Public Accountant in California from September 24, 1982 to November 30, 1992. This license is currently canceled and no derogatory information or sanctions are noted on this license. Our consultation with the California Board of Accountancy confirms this Certified Public Accountant license and status. During his interview, Taylor indicated that the Michigan license information was accurate and that the license was revoked due to the fact he did not continue filing nor did he take the required training to maintain the license. He also indicated that the California license information was also accurate and that he failed to keep up on the required training for the license. It should be noted that the dates listed by Taylor in his PHDF were different from the actual dates he held these licenses.

Taylor has disclosed that he has applied for qualification in various gaming jurisdictions in the US and international jurisdictions. We requested verification of certain US licenses from the appropriate regulatory agencies as noted in the Scope and Methodology section of this report. The result of those inquiries, which verified the applicant's disclosure, have been received and no negative or derogatory information is noted.

6. Directorships and Stockholdings

Research of available Dun & Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports, assorted company records, and our investigation has revealed the following business affiliations for Taylor:

- MGM Resorts International Director
- Tracinda Corporation Executive
- TADD LLC aka Light Emitting Designs LLC Co-Owner

- Daniel J. Taylor Consulting Services Owner

[REDACTED]

This is consistent with the information disclosed by Taylor in his PHDF and he verified this information during his interview.

Taylor has disclosed that he owns a minimum of 5 percent in the following business entity:

- TADD LLC [REDACTED]
- Daniel J. Taylor Consulting Services [REDACTED]

Research and our investigation have verified this information.

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States has revealed the following records personally naming Taylor.

[REDACTED]

Taylor was involved in civil litigation including shareholder derivative lawsuits due to his positions with Tracinda Corporation, Delta Petroleum Inc., and MGM Resorts International or their subsidiaries. Taylor advised during his interview that in these types of litigation involving Board Members, that the litigation comes in and the Board Members do not get involved and that the company and their attorneys handle these matters. Material shareholder derivative matters involving MGM Resorts International (and Tracinda Corporation) are set forth in the MGM Resorts International significant litigation section of this Report.

Research and our investigation did not reveal any other personal litigation involving Taylor and he did not disclose any personal litigation in his PHDF.

During his interview, Taylor indicated that he has no other knowledge of any liens, judgments, or court actions against him.

8. Bankruptcy

[REDACTED]

9. Property Ownership

[REDACTED]

10. Financial Suitability Evaluation

[REDACTED]

Income Analysis

[REDACTED]

[REDACTED]

Net Worth Analysis

[REDACTED]

Assets

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

Liabilities

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Conclusion as to Financial Suitability

We have not uncovered any information that Taylor does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

The investigation has confirmed that Taylor has not made any prohibitive political contributions in Massachusetts that violate M.G.L. c. 23K, § 46 or 205 CMR 108.00.

12. Significant Investigative Issues

Taylor's role in the Terry Christensen matter is set forth fully in Section IV.J. of this Report. The investigation shows that Taylor recognized the regulatory implications of Christensen's post-conviction involvement in corporate affairs of a licensee, spoke to Mandekic about it and left it to Mandekic, whom he rightfully viewed as more senior to him with a closer relationship to Kerkorian, to deal directly with Kerkorian about putting it to a stop. Nonetheless, Taylor continued to have interaction with Christensen on various matters, including email communication with him post-conviction. Taylor has stated that he recognizes that he made mistakes in not doing more himself about it, as he knew it was wrong, and has learned from it.

13. References

- Anthony Leo Mandekic⁷⁴, [REDACTED]

The above-named references were contacted and queried regarding the character and integrity of Taylor. All three references indicated that Taylor was of the highest character and integrity. [REDACTED]

[REDACTED] No derogatory information was developed which would preclude Taylor from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did not reveal any derogatory or adverse items relative to Taylor. He is mentioned numerous times on the Internet, however no adverse information was found regarding this individual.

15. Conclusion

Based on our investigation there were no known facts that would necessarily disqualify Taylor based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

⁷⁴ Mandekic is also an applicant for licensure.

X. Rolling Hills Estates Realty Trust

A. Background

Rolling Hills Estates Realty Trust is an entity qualifier because it has a contractual right to perpetually receive certain monetary payments from the gaming revenues of Blue Tarp reDevelopment LLC's proposed casino project in Springfield, MA. These payments were negotiated on March 9, 2012, to release MGM Resorts International from a January 10, 2012, Option Agreement it entered into with Rolling Hills Estates Realty Trust regarding the purchase of land for a planned casino site in the towns of Warren, Palmer, and Brimfield, in Hampden and Worcester counties. Pursuant to the terms of the agreement, Rolling Hills Estates Realty Trust will annually receive [REDACTED]

[REDACTED] In addition, the agreement specifies two milestones upon which "success fees" are payable: (1) If MGM Resorts International receives a gaming license to operate the Springfield Facility, final beyond any contest or appeal, MGM Resorts International will pay Rolling Hills Estates Realty Trust a success fee of [REDACTED] and (2) Upon the opening of the Springfield Facility to the public, MGM Resorts International will pay Rolling Hills Estates Realty Trust a success fee of [REDACTED].

Rolling Hills Estates Realty Trust ("RHERT") is a Nominee Trust formed on January 31, 1995, for purposes of land purchases. Its principal place of business is 25 Blanchard Street, Palmer, MA 01069. It is a landholding company that owns approximately 1,600 acres of undeveloped land in the Warren, Palmer and Brimfield area; 40 acres are covered by a mining permit allowing for stone, gravel and sand removal. Three homes are on the acreage, all used as residential rental properties.

The Trustees and Managing Partners are David J. Callahan and Vincent F. Barletta, both of whom are natural person qualifiers. A Nominee Trust is a type of real estate trust that is not a recognized entity for tax purposes. As such, Rolling Hills Estate Joint Venture ("RHEJV") was formed on January 31, 1995, as a dba to the trust, has filed tax returns since 1995 and reported all activity that has flowed from the trust to the joint venture. The original partners of RHEJV were Boston Road Wilbraham Limited Partnership and The Barletta Co., [REDACTED]

[REDACTED]

[REDACTED] VFB Dynasty Trust, the vehicle through which Vincent F. Barletta holds his interest in Rolling Hills Development LLC, is also a qualifier. The entity has not been an applicant for licensure in any other gaming jurisdiction.

Rolling Hills Estates Realty Trust has not been an applicant for licensure in any other gaming jurisdiction.

1. Summary of underlying Option Agreement

[REDACTED]

[REDACTED] Boston Road Wilbraham Limited Partnership and Cal Rolling Hills LLC have the same owners and ownership percentages.

[REDACTED]

[REDACTED]

B. Financial Suitability Review

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

1. Conclusion as to Financial Suitability

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Nothing was brought to our attention that would otherwise impact the financial integrity and stability of Rolling Hills Estates Realty Trust.

C. Cal Rolling Hills LLC

Cal Rolling Hills LLC is a Massachusetts Limited Liability Company formed on October 3, 2012, with the purpose to purchase, sell, exchange, hire, lease real estate and property, either improved or unimproved and to own, hold, control real and other real or personal property of the company and to transact the business of buying and selling, dealing in, leasing, renting and managing real properties.⁷⁷ It holds a [REDACTED] ownership interest in Rolling Hills Estates Realty Trust. The entity's principal place of business is 25 Blanchard Street, Palmer, MA 01069. Janet M. Callahan is the Managing Member, while David J. Callahan serves as a Member; both have so served since formation. There is no record of bankruptcy. The entity has not been an applicant for licensure in any other gaming jurisdiction.

[REDACTED]

[REDACTED]

[REDACTED]

⁷⁷ From information provided by CPA Ronald Bucci, the entity was originally formed on September 4, 2007, but was mistakenly allowed to lapse, hence the refilling in 2012.

a. Conclusion as to Financial Suitability

Our review of Cal Rolling Hills LLC’s financial positions revealed that this entity has only one revenue stream – real estate rental. [REDACTED]

[REDACTED]

[REDACTED] nothing was brought to our attention that would otherwise impact the financial suitability of Cal Rolling Hills LLC.

D. Rolling Hills Development LLC

Rolling Hills Development LLC is a Delaware Limited Liability Company formed on May 9, 2002, to invest in real estate and real estate development. Its principal place of business is 40 Shawmut Road, Canton, MA 02021. From 2002 through 2004 its address was 10 Whipple Avenue, Roslindale, MA. It holds a [REDACTED] ownership interest in Rolling Hills Estates Realty Trust. Vincent F. Barletta, Ronald J. Gillis Jr. and John G. Bulman are the Managers of the entity, and have so served since formation. There is no record of bankruptcy. The entity has not been an applicant for licensure in any other gaming jurisdiction. It is registered in Massachusetts as a Foreign Limited Liability Company, effective February 8, 2007.

[REDACTED]

[REDACTED]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

1. Financial Suitability Review

[Redacted text block]

[Redacted text block]

a. Conclusion as to Financial Suitability

[REDACTED]

[REDACTED] We have no concerns as to its financial suitability.

E. VFB Dynasty Trust

The VFB Dynasty Trust Under a Declaration of Trust dated May 1, 2006 (“VFB Dynasty Trust”), is a trust formed in Massachusetts on May 1, 2006, with an address of 40 Shawmut Road, Canton, MA 02021. The creator and donor is Vincent F. Barletta, and the Trust was formed for estate planning purposes for the family of Vincent F. Barletta, whose spouse and children are the beneficiaries. It is in the business of investing in real estate and other types of ventures. Ronald J. Gillis Jr. and Timothy J. Barletta are trustees. The entity has not been an applicant for licensure in any other gaming jurisdiction.

[REDACTED]

1. Financial Suitability Review

[REDACTED]

[REDACTED]

[REDACTED] From our review of the limited financial information available on the VFB Dynasty Trust, we did not identify any concerns regarding the financial suitability of the VFB Dynasty Trust.

XI. Natural Person Qualifiers of Rolling Hills Estates Realty Trust

A. David J. Callahan

David Joseph Callahan holds a [REDACTED] interest in Cal Rolling Hills LLC.

1. Qualifier's Name and Verified Information

Research of available online public records and documents provided by Callahan has verified the following information:

Name: David Joseph Callahan

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

2. Employment History

Research has confirmed that Callahan is currently employed as Chief Executive Officer with Palmer Paving Corporation, 25 Blanchard Street, Palmer, MA 01069. Palmer Paving Corporation is a family-operated construction company that has worked in the public and private sectors building a variety of projects including highways, roadways, airports and other infrastructure-related projects throughout Massachusetts and Connecticut for over 50 years.

Employed at Palmer Paving Corporation since October 1983, Callahan is also serves as Chairman of the Board of Directors.

3. Criminal Record

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4. Education

Callahan disclosed and research has confirmed that he attended Palmer High School and graduated in June 1976.

5. Professional and Gaming Licenses

Callahan did not disclose any non-gaming professional licenses on his PHDF and none were located to the contrary during the course of research.

Callahan has disclosed that he has never been the applicant for a gaming license in any jurisdiction. Our research, as set forth in the scope and methodology of this report, has not revealed information to the contrary.

6. Directorships and Stockholdings

Research of available Dun & Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports and assorted company records has revealed the following business affiliations for Callahan:

- Boston Road Wilbraham Limited Partnership Ltd. (Massachusetts) Active
- CAL Investments Family Limited Partnership (Massachusetts) Active
- CAL Investments LLC (Massachusetts) Active
- CAL Technologies Corporation (Massachusetts) Active
- Caletta Renewable Energy LLC (Massachusetts) Active
- CALFAM LLC (Massachusetts) Active
- Callahan Real Estate Development LLC (Massachusetts) Active
- CKS Energy, Incorporated (Mississippi) Dissolved
- Greenwich Road Reality (Massachusetts) Active
- JRE LLC (Massachusetts) Active
- Monson Sand and Stone (Massachusetts) Inactive
- Mount Tom Rock LLC (Massachusetts) Active
- Natural State Renewable Energy LLC (Arkansas) Revoked
- Optimum Purchase LLC (Massachusetts) Active
- Palmer Bituminous Corporation (New York) Active
- Palmer Paving Corporation (Massachusetts) Active
- Palmer Renewable Energy LLC (Massachusetts) Active
- Port Erie Energy Research LLC
- Port Erie Power LLC
- Rolling Hills Warrior Hunt Camp, Incorporated (Massachusetts) Active
- Thornton Asia Holding LLC (Massachusetts) Active
- Thornton Group LLC (Massachusetts) Active

This is inconsistent with the information disclosed by Callahan in his PHDF. Callahan has not disclosed any affiliation with the following entities:

- CAL Investments Family Limited Partnership, Ltd. (Massachusetts) Active
- Caletta Renewable Energy LLC (Massachusetts) Active
- Greenwich Road Realty LLC (Massachusetts) Active
- JRE LLC (Massachusetts) Active
- Monson Sand and Stone Inc. (Massachusetts) Inactive
- Mount Tom Rock LLC (Massachusetts) Active
- Natural State Renewable Energy (Arkansas) Revoked
- Optimum Purchases LLC (Massachusetts) Active
- Palmer Bituminous Corporation (New York) Active
- Palmer Renewable Energy LLC (Massachusetts) Active
- Port Erie Energy Research LLC
- Port Erie Power LLC
- Thornton Asia Holding LLC (Massachusetts)
- Thornton Group LLC (Massachusetts) Active
- Crawford Renewable Energy

When questioned regarding these inconsistencies during an interview on June 14, 2013, Callahan admitted association or partial ownership with all of the above listed entities. When asked why they were not disclosed on his PHDF, Callahan advised that they were all related to or subsidiaries of CAL Investments LLC.

Callahan has disclosed that he owns a minimum of 5 percent in the following business entities:

- Palmer Paving Corporation
- Libri Realty Trust (sold in 2006)
- CAL Investments LLC
- CAL Technologies Corporation (liquidated in December 2012)
- CAL Real Estate Development LLC (cancelled)
- CAL Rolling Hills LLC
- CKS Energy (sold August 2010)
- CKS Realty LLC (sold August 2010)
- Monson Sand and Gravel (dissolved and liquidated)
- Palmer Paving Trust (merged in March 2006)

- Boston Road Reality Trust
- Boston Road Wilbraham Limited
- Taplay Bay LLC
- Calfam LLC
- Rolling Hills Warrior Camp LLC

Research has verified this information. Callahan's business interests are discussed in greater detail in the Financial Suitability Section of this report.

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States has revealed the following records naming David Callahan which he did not disclose on his PHDF (Callahan disclosed only one arbitration matter involving Palmer Paving Corporation):

Hampden County Superior Court

Case name: Ten Residents of the Commonwealth et al. v. Massachusetts DEP; Case Number: HDCV2012-00833

Plaintiff: Arise for Social Justice, Mary Elizabeth Bewsee; et al.

Defendants: David Callahan, Kevin Kimmell, MA DEP, Palmer Renewable Energy

Date Filed: October 11, 2012

When questioned regarding the above litigation on June 14, 2013, Callahan advised it involved a group of citizens who banded together to oppose an energy plant his company was planning to build and he did not realize he was personally named. We did locate the following media reports concerning the proposed energy plant:

- *The Republican (Springfield, MA)* - November 2, 2012 - It is reported that "the cancellation of a biomass project in Russell does not affect plans for a wood burning plant in East Springfield being proposed by Palmer Renewable Energy, according to a lawyer for the developer. Opponents of the proposed \$150 million biomass project on Page Boulevard, however, said Wednesday they see no environmental or economic rationale for the project to move forward. The proposed project has led to legal action filed by the company and opponents...the State Department of Environmental Protection has approved an air permit for the Springfield project, saying it meets all regulatory and environmental standards. The company was also granted local building permits to begin work, but the permits were overturned by the city's Zoning Board of Appeals. Opponents have appealed the state's granting of an air permit, and Palmer Renewable Energy has filed suit seeking to overturn the Zoning Board decision."

- *The Republican (Springfield, MA)*- October 27, 2012, – It is reported that “A proposed \$150 million biomass plant in East Springfield by Palmer Renewable Energy last month received its state air permit, but construction is on hold because some local permits have been revoked and there are pending appeals to others by several groups.”
- *The Republican (Springfield, MA)*- September 13, 2012, – It is reported that the State Department of Environmental Protection has approved an air permit for a proposed \$150 million biomass plant in East Springfield leaving opponents evaluating their options and legal avenues...Susan Reid, a representative of the Conservation Law Foundation said ‘DEP has again failed the good people of Springfield with its flawed approval of an air permit for PRE (Palmer Renewable Energy)...DEP inappropriately is elevating the rights of polluters above the people and environment the agency is charged with protecting.’

The following litigation was located naming Palmer Paving:

Hampden County Superior Court, Massachusetts

Case Name: Palmer Paving Corporation vs. Liquori

Case Number: HDCV2012-00892

Plaintiff: Palmer Paving Corporation

Defendant: Pasquale R. Liquori

Date Filed: November 2, 2012

Nature: Civil Banking/Finance

Massachusetts Appeals Court

Case Name: Yale Electric Supply Company v. Daisy Electric Inc. and Others

Case Number: 2000-P-1925

Plaintiff: Yale Electric Supply Company

Defendant: Palmer Paving Corporation; Daisy Electric Inc. et al

Date Filed: December 21, 2000

Nature: Appeal

Status: Disposed, Settled in Conference Program

Worcester County Superior Court, Massachusetts

Case Name: Palmer Paving Corporation v. Phoenix Plaza Corporation

Case Number: WOCV2011-00268

Plaintiff: Palmer Paving Corporation

Defendant: Phoenix Plaza Corporation

Date Filed: February 15, 2011

Nature: Civil Service, Labor

Hampden County Superior Court

Case Name: DeForge v. Palmer Paving

Case Number: HDCV2007-00323

Plaintiff: Joseph DeForge

Defendant: Palmer Paving Corporation

Date Filed: March 22, 2007
Nature: Civil Misc., Contract

Worcester County Superior Court, Massachusetts

Case Name: Palmer Paving Corporation v. Evergrass Inc., et al
Case Number: WOCV2006-00606
Plaintiff: Palmer Paving Corporation
Defendant: Evergrass Inc.
Date Filed: March 22, 2006
Nature: Civil Goods Sold/Delivered under Contract
Status: Dismissed, June 29, 2010

Massachusetts Supreme Judicial Court

Case Name: Teamsters Joint Council No. 10 and Others v. Dir. of Dept. of Labor and Others
Case Number: SJC-09505
Plaintiff: Teamsters Joint Council No. 10 et al.
Defendant: Palmer Paving Corporation et al.
Date Filed: May 24, 2005
Nature: Appeals/Government

Massachusetts Appeals Court

Case Name: Teamsters Joint Council No. 10 and Others v. Director of Labor and Workforce Development and Others
Case Number: 2004-P-1181
Plaintiff: Teamsters Joint Council No. 10, et al.
Defendant: Director of Labor & Workforce Development et al.
Date Filed: August 24, 2004
Nature: Appeals Civil
Status: Taken sua sponte by Supreme Judicial Court

Massachusetts Appeals Court

Case Name: Teamsters Joint Council No. 10 and Others v. Angelo R. Buonopane and Others
Case Number: 2004-J-0326
Plaintiff: Teamsters Council No. 10 et al.
Defendant: Director of Labor and Workforce et al.
Date Filed: July 15, 2004
Nature: Appeals – Motion for MRAP 6 (A) Stay
Status: Disposed, Case Closed 7/15/2004

Massachusetts Appeals Court

Case Name: Teamsters Joint Council No. 10 and Others v. Angelo R. Buonopane and Others
Case Number: 2004-J-0326
Plaintiff: Teamsters Council No. 10 et al.
Defendant: Director of Labor and Workforce et al.

Date Filed: July 15, 2004
Nature: Appeals – Motion for MRAP 6 (A) Stay
Status: Disposed, Case Closed July 15, 2004

Massachusetts Appeals Court

Case Name: Teamsters Joint Council No. 10 and Others v. Angelo R. Buonopane
and Others

Case Number: 2004-J-0288
Plaintiff: Teamsters Council No. 10 et al.
Defendant: Director of Labor and Workforce et al.
Date Filed: June 28, 2004
Nature: Appeals – Motion for MRAP 6 (A) Stay
Status: Disposed, Case Closed July 14, 2004

Hampden County Superior Court, Massachusetts

Case Name: MD Drilling and Blasting Inc. v. Palmer Paving Corporation et al.
Case Number: HDCV2002-01315
Plaintiff: MD Drilling and Blasting Inc.
Defendant: Palmer Paving Corporation
Date Filed: December 20, 2002
Nature: Civil, General Contractor Surety
Status: Disposed by Settlement May 3, 2004

Hampden County Superior Court, Massachusetts

Case Name: Baker v. Six Flags Inc. d/b/a et al
Case Number: HDCV2001-01048
Plaintiff: Matthew Baker
Defendant: Six Flags Inc. d/b/a Six Flags New England; Palmer Paving
Corporation; et al
Date Filed: October 30, 2001
Case Type: Civil
Status: Dismissed April 30, 2004

Hampden County Superior Court, Massachusetts

Case Name: Palmer Paving Corporation v. Butcher and Baecker Con
Case Number: HDCV2002-00698
Plaintiff: Palmer Paving Company
Defendant: Butcher and Baecker Construction Company Inc., et al.
Date Filed: July 3, 2002
Case Type: Civil Services, Labor and Material
Status: Disposed by Settlement November 15, 2002

Springfield District Court: Trial Court, Massachusetts

Case Name: Joyce Huff and Jennifer Garner v Palmer Paving Corporation
Case Number: 98-CV-781
Plaintiff: Joyce Huff and Jennifer Garner
Defendant: Palmer Paving Corporation

Date Filed: April 4, 1998
Case Type: Unknown
Status: Dismissed w/Prejudice July 20, 1999

During his interview on June 14, 2013, each of the above matters was discussed and Callahan confirmed they all involved Palmer Paving Corporation. Callahan further advised he was not current with all of Palmer Paving's litigation and did not realize it needed to be disclosed.

We observe that Callahan is the Chief Executive Officer of Palmer Paving Corporation, and his excuse may not be credible in view of the clear instructions of Question No. 35 in the Multi-Jurisdictional Personal History Disclosure Form: "In the past fifteen (15) years, has any general partnership, business venture, sole proprietorship or closely held corporation, which you were associated with as an owner, officer, director or partner, been a party to a lawsuit, arbitration or bankruptcy? If yes, please complete the following chart:" Callahan may not have provided a reasonable explanation for his failure to disclose fifteen lawsuits involving Palmer Paving Corporation and related entities.

8. Bankruptcy

[REDACTED]

9. Property Ownership

[REDACTED]

[Redacted text block]

10. Financial Suitability Evaluation

[Redacted text block]

Income Analysis

[Redacted text block]

[Redacted text block]

Net Worth Analysis

[Redacted text block]

[REDACTED]

Assets

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Conclusion as to Financial Suitability

We have not uncovered any information that David Callahan does not possess the financial integrity and responsibility as it relates to financial stability. We address his initial miscalculation of his net worth in our overall conclusion.

11. Political Contributions

The investigation has confirmed that Callahan has not made any prohibitive political contributions in Massachusetts that violate M.G.L. c. 23K, § 46 or 205 CMR 108.00.

12. Significant Investigative Issues

David J. Callahan’s extensive driving record coupled with the often incomplete manner in which he submitted required personal information for the Commission’s may potentially impact upon his integrity and his overall suitability for licensure.

13. References

- Ronald Bucchi, [REDACTED]⁸²

⁸² Bucchi is also an applicant for licensure.

The above-named references were contacted and queried regarding the character and integrity of Callahan. All three references indicated that Callahan was of the highest character and integrity. [REDACTED]

[REDACTED] No derogatory information was developed which would preclude Callahan from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources revealed several articles regarding David Callahan and Palmer Paving. Most notable was a report in *The Journal Register* on January 25, 2012. The article reported a mailing from a group identifying themselves as “Citizens against a Brimfield Casino” and alleging corruption in the Brimfield Select Board, a link to organized crime and the Bulger Family.

- *The Journal Register*- January 25, 2012, – Emily Thurlow reports that “Shortly before CEO of Palmer Paving David Callahan made his official announcement that he had chosen his development partner, MGM, residents around the town of Brimfield started to receive mailings from a group that claim to be against a casino in Brimfield...within these mailings, the group who are calling themselves ‘Citizens Against a Brimfield Casino’ accuse state Rep. Todd Smola, State Sen. Stephen Brewer, State Rep. Joe Wagner, the entire Brimfield Select Board and [David] Callahan of ‘corruption’....in some of the mailings the group claims that Select Board chairwoman Diane Panaccione and board members Thomas Marino and Stephen Fleshman all have ‘real estate and financial connections with Callahan’ and are corrupt...at the center of the casino corruption allegations is Callahan whom the group accuses of being linked to organized crime. One particular flyer reads ‘scratch the surface and you will find deep ties between the Bulger family and David Callahan’s companies.’”

We reviewed allegations of David J. Callahan’s associations with the “Bulger family.” Our inquiry, including a review by the Massachusetts State Police, leads us to conclude that the “Bulger family” is not former Boston Organized Crime Boss James “Whitey” Bulger’s organization, but rather James Bulger, William “Billy” Bulger’s son. He is a reputable businessperson in Boston and has no known connection to organized crime. There is a documented relationship between David Callahan and James Bulger involving the Thornton Group LLC. The Thornton Group LLC is located at 14 Beacon Street, Suite 804A, Boston, MA.

It was co-founded by James Bulger and Michael Lin in 2007. David Callahan is listed as a vice-chairman on the Bloomberg business site, and has disclosed this association in his PHDF.

Palmer Paving was also mentioned in *The Republican* on September 25, 2010, regarding a fine received from the Massachusetts Department of Environmental Protection of \$27,400 for “discharging industrial wastewater, or truck wash water, to the ground.” Our research confirmed the violation. During an interview on June 21, 2013, David Callahan advised investigators that Palmer Paving had been using the same wash water system which had been inspected by the DEP on several occasions with no issues reported. Callahan went on to say that it was his recollection that a newly assigned DEP. employee inspected the system and found it to be in violation of current standards. Callahan reported that the system was updated and the problem was resolved. The article reads:

- *The Republican*- September 25, 2010, – “The state Department of Environmental Protection has fined Palmer Paving Corp. \$27,400 after the agency discovered the company was discharging industrial wastewater, or truck wash water, to the ground, and was violating state regulations governing air quality and hazardous waste. The violations were discovered during inspections of the company’s Palmer and Springfield facilities in June and August of 2008, respectively, and through review of the company’s records. It also was discovered that Palmer Paving was not meeting numerous provisions of its agency-issued air quality permits. Palmer Paving cooperated with the agency to address the noncompliance issues and has agreed to develop and implement an environmental management system to prevent future noncompliance. The company must pay a penalty of \$19,180; the agency will suspend an additional \$8,220 pending the company’s compliance with the terms and conditions of the consent order.”

15. Conclusion

From a regulatory perspective, we have concerns with (1) David J. Callahan’s driving record, which includes repetitive motor vehicle infractions over a 25-year period, and numerous license suspensions, including three suspensions since 2005 and (2) the often incomplete manner in which Callahan submitted required personal information for the Commission’s suitability review. In that regard, Callahan failed to disclose three occasions on which his driver’s license was suspended, and in response to Question No. 35 disclosed only one arbitration matter, omitting 15 lawsuits involving Palmer Paving Corporation of which he is CEO, and/or related entities. He also failed to provide accurate financial information, initially materially misstating

his assets. Callahan was cooperative during his June 14, 2013, interview, and based on his candor at the interview we did not conclude his application omissions were an attempt to mislead the Commission. Indeed, his driving record is so replete with violations and suspensions it may be conceivable that three suspensions were forgotten. There may be no credible excuse to his failure to list 15 business-related lawsuits, and initially materially undervaluing his assets, and thus conclude he displayed an indifference to the accuracy of the contents of his application to the Commission. Taken together, these matters may impact Callahan's integrity and his overall suitability for licensure. However, based on our investigation there were no known facts that would necessarily disqualify Callahan based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Employment History

Research has confirmed that Callahan is President of Palmer Paving Corporation, 25 Blanchard Street, Palmer, MA 01069. Palmer Paving Corporation is a family-operated construction company that has worked in the public and private sectors building a variety of projects including highways, roadways, airports and other infrastructure-related projects throughout Massachusetts and Connecticut for over 50 years. Research has also confirmed a previous position with that company as VP of Administration from 2004-2006. Her supervisor is her brother David Callahan, also an applicant for licensure.

Callahan was previously employed as president of CAL Technologies, a position she began in May 2006. Cal Technologies was dissolved in December 2012. She was employed at Cooper Surgical from March 1990 to May 1996.

Employment was confirmed through public records sources, documents provided by the qualifier, and tax returns.

3. Criminal Record

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4. Education

Callahan disclosed that she attended Trinity University, where she obtained a Bachelor of Arts degree in May 1981, as well as a Master of Science degree from Simmons College in 2004. Additionally, she stated that she completed the Owner/President Management Program at Harvard Business School. This program ran from April 3, 2005, until March 20, 2007. A certificate was given to Callahan upon graduation. While it is not a degree, the certificate shows successful completion of the intensive program, and participants of the program receive Harvard Business School alumni status. Research has verified that Callahan was awarded her Bachelor of Arts degree on May 17, 1981, and her Master of Science degree on May 1, 2004. Her certificate from Harvard was awarded on March 20, 2007.

5. Professional and Gaming Licenses

Callahan did not disclose any non-gaming professional licenses on her PHDF and none were located to the contrary during the course of research.

Callahan has disclosed that she has never been the applicant for a gaming license in any jurisdiction. Our research, as set forth in the scope and methodology of this report, has not revealed information to the contrary.

6. Directorships and Stockholdings

Research of available Dun & Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports and assorted company records has revealed the following business affiliations for Callahan:

- Boston Road Wilbraham Limited Partnership, LTD (MA)
- Cal Investments LLC (MA)
- Cal Rolling Hills LLC (MA)
- Construction Industries of MA (MA)
- Greenwich Road LLC (MA)
- JJC Materials Inc. (MA)
- Palmer Paving Corporation (MA, CT)
- Puck and Blossom Inc. (FL)
- ROCA Pallin Youth Center Inc. (MA)

- ROCA Inc. (MA)
- The Yellow House Inc. (MA)

This is consistent with the information disclosed by Callahan in her PHDF.

Callahan has disclosed that she currently owns a minimum of 5 percent in the following business entities:

- Palmer Paving Corporation [REDACTED]
- Cal Investments [REDACTED]
- Boston Road Realty Trust [REDACTED]
- Cal Rolling Hill LLC [REDACTED]
- JJC Materials Inc. [REDACTED]
- Boston Road Wilbraham Limited [REDACTED]
- Puck and Blossom Inc. [REDACTED]

Research has verified this information. Callahan’s business interests are discussed in greater detail in the Financial Suitability Evaluation section of this report.

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States has not revealed any records personally naming Callahan. This is consistent with her disclosure in her PHDF.

Fifteen corporate associated lawsuits were found during research, some of which were disclosed by Callahan, and some of which were not, and each was reviewed with her during an interview after which it was determined that all were found to be normal business-related litigation involving Palmer Paving Corporation, and did not impact upon this application.

8. Bankruptcy

[REDACTED]

9. Property Ownership

[REDACTED]

[REDACTED]

10. Financial Suitability Evaluation

[REDACTED]

Income Analysis

[REDACTED]

[REDACTED]

[Redacted]

Net Worth Analysis

[Redacted]

Assets

[Redacted]

[REDACTED]

Conclusion as to Financial Suitability

We have not uncovered any information that Callahan does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

The investigation has confirmed that Callahan has not made any prohibitive political contributions in Massachusetts that violate M.G.L. c. 23K, § 46 or 205 CMR 108.00.

12. Significant Investigative Issues

None.

13. References

[REDACTED]
[REDACTED]
[REDACTED]

The above-named references were contacted and queried regarding the character and integrity of Callahan. All three references indicated that Callahan was of the highest character and integrity. [REDACTED]

[REDACTED] No derogatory information was developed which would preclude Callahan from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did not reveal any derogatory or adverse items relative to Callahan. She is mentioned numerous times on the Internet, however no adverse information was found regarding this individual. Research of available online and print media sources did reveal the following derogatory article regarding members of the Callahan family and political contributions. Janet Callahan is named in this article as a political contributor.

- *Masslive.com (Springfield, MA)* – February 6, 2011, Peter Goonan, of *The Republican* reported: “As the Palmer Renewable Energy, a limited liability company, headed by Callahan [David], waits to build a controversial \$150-million wood-burning power plant in the city’s East Springfield neighborhood, his family’s political contributions are on the rise. State campaign finance records show contributions given by Callahan and members of his family over the past two years to municipal and state candidates, including Gov.

Deval L. Patrick, have approximately tripled. Callahan and seven members of his family, including siblings, and their spouses, contributed \$15,375 to municipal and state candidates in 2010 and \$14,950 in 2009, according to records filed with the state OCPF. State election law places a cap of no more than \$500 per family member per candidate. In contrast, the family's total political contributions never exceeded \$5,700 a year in the prior three years...Callahan says his family's history of campaign contributions were never intended to sway officials regarding the plans for the biomass plant and that 'any suggestion that the most recent contributions are related in any way to the biomass plant is a reckless mischaracterization of our history of giving to this community'...He says he is the only Callahan involved in the biomass project, although Palmer Paving will lease the land to the renewable energy group in what Callahan's lawyer, Frank P. Fitzgerald, says is an 'arm's length' agreement." The article goes on to specifically name the members of the Callahan family who have made donations as: David J. Callahan, Erin Callahan [wife of David], Janet Callahan, Julie A. Callahan, Jon E. Callahan, Charles M. Callahan, Donna Callahan [wife of Charles], and Angela Callahan [wife of Jon]. The candidates who have received these contributions range from governor, lieutenant governor, Springfield Mayor, State Treasurer, State Senators/State Representatives and various members of Springfield City Council.

15. Conclusion

Based on our investigation there were no known facts that would necessarily disqualify Janet M. Callahan based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

C. Charles M. Callahan III

The investigation of Charles M. Callahan III, holder of a [REDACTED] interest in Cal Rolling Hills LLC, did not reveal any derogatory information which would impact on his suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier's Name and Verified Information

Research of available online public records and documents provided by Callahan has verified the following information:

Name: Charles Michael Callahan III

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

2. Employment History

Research has confirmed that Callahan is currently employed with the following entities:

- Mercy Medical Center November 2011- Present
- Hampden County Sheriff's Department July 2012- Present
- Palmer Ambulance Services February 1982 – Present

Callahan was previously employed by:

- American Medical Response Inc. September 2001 – November 2012
- Palmer Paving Corporation January 2005 – December 2011
- McElligott Insurance Company April 1984 – December 2004

Employment was confirmed through public records sources and documents provided by the qualifier such as tax returns, etc.)

Consultation with the Massachusetts Department of Insurance was unable to confirm Callahan's Broker's License as it is not a current license. Consultation with FINRA was unable to confirm Callahan's "Series 6" license as it is beyond the ten year record retention period.

6. Directorships and Stockholdings

Research of available Dun & Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports and assorted company records has revealed the following business affiliations for Callahan:

- Palmer Paving Corporation
- Charles M. Callahan III
- McElligott Insurance Agency
- Palmer Bituminous Corporation
- BRW Corporation
- Boston Road Wilbraham Limited Partnership Ltd.

Callahan did not disclose his association with Palmer Bituminous Corporation. When questioned regarding this association on June 18, 2013, Callahan stated Palmer Bituminous Corporation was a company his father started in the 1954 along with Palmer Paving. Palmer Bituminous provided paving materials to Palmer Paving and other companies involved in the asphalt business.

Callahan has disclosed that he owns a minimum of 5 percent in the following business entities:

- Palmer Paving Corporation
- Libri Realty Trust (sold in 2006)
- JJC Materials
- JJC Materials of Maine Inc. (dissolved in 2010)
- CAL Investments LLC
- CAL Technologies Corporation (liquidated in December 2012)
- CAL Rolling Hills LL
- BRW Corporation

Research has confirmed Callahan's association with the above listed entities.

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States has revealed the following records naming Charles Callahan:

Massachusetts UCC Record

Debtor: Charles M. Callahan III
Secured Party: Country Bank for Savings
Filing Number: 200429408270
Filing Date: April 28, 2004
Status: Terminated on October 28, 2004

Massachusetts UCC Record

Debtor: Charles M. Callahan III
Secured Party: Country Bank for Savings
Filing Number: 200429176890
Filing Date: April 20, 2004
Status: Terminated on October 1, 2004

Massachusetts UCC Record

Debtor: Charles M. Callahan III; McKelligott Insurance Agency
Secured Party: Country Bank for Savings
Filing Number: 200209999000
Filing Date: March 19, 2002
Status: Active

Massachusetts UCC Record

Debtor: McKelligott Insurance Agency
Secured Party: Charles M. Callahan
Filing Number: 97513036
Filing Date: November 25, 1997
Status: Active

Massachusetts UCC Record

Debtor: Charles M. Callahan III; McKelligott Insurance Agency
Secured Party: Country Bank for Savings
Filing Number: 96439243
Filing Date: December 30, 1996
Status: Terminated on September 14, 1998

Massachusetts UCC Record

Debtor: Charles M. Callahan III
Secured Party: Country Bank for Savings
Filing Number: 86617302
Filing Date: June 30, 1986
Status: Terminated on October 17, 1991

Massachusetts UCC Record

Debtor: Charles M. Callahan III
Secured Party: Country Bank for Savings
Filing Number: 86612832
Filing Date: June 12, 1986
Status: Terminated on October 17, 1991

UCC files are not required to be disclosed on the PHDF. During his interview on June 18, 2013, Callahan advised the UCC filings were in relation to the purchase of office equipment for his insurance business and should all be terminated.

The following case was located personally naming Charles Callahan:

United States District Court, District of Massachusetts

Case Number: 3:12-cv-30170
Plaintiff: Lisa Koss
Defendants: Palmer Water Department, Palmer Fire District No. 1, and Palmer Water District No. 1; William Cole; Charles M. Callahan III
Date Filed: October 4, 2012
Nature: Civil Rights: Job Discrimination
Status: Pending

Although Callahan did not disclose the above civil action on his PHDF, he later furnished this information in response to a request for documents from investigators. During an interview on June 18, 2013, Callahan stated that he was included as a defendant in the suit that was filed by a former employee of the Palmer Water Department, due to his position as Commissioner on the Palmer Water Department.

Research of the above stated records and filings also revealed litigation naming Palmer Paving which Callahan did not disclose on his PHDF. This litigation has been set forth in the suitability report on David J. Callahan, who is CEO of Palmer Paving. During an interview on June 18, 2013, when questioned regarding the litigation naming Palmer Paving, Callahan advised he was not aware of the litigation involving Palmer Paving and indicated David Callahan would be more knowledgeable regarding same.

8. Bankruptcy

[REDACTED]

[Redacted]

Income Analysis

[Redacted]

[Redacted]

[Redacted]

Net Worth Analysis

[Redacted]

[REDACTED]

Assets

[REDACTED]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[REDACTED]

Conclusion as to Financial Suitability

We have not uncovered any information that Charles Callahan does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

The investigation has confirmed that Callahan has not made any prohibitive political contributions in Massachusetts that violate M.G.L. c. 23K, § 46 or 205 CMR 108.00.

12. Significant Investigative Issues

None.

13. References

[REDACTED]

The above-named references were contacted and queried regarding the character and integrity of Callahan. All three references indicated that was of the highest character and integrity. [REDACTED]

[REDACTED] No derogatory information was developed which would preclude Callahan from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did reveal derogatory or adverse items relative to Callahan. These items are summarized below:

- *The Republican* – October 16, 2012: “A former employee of the Palmer Water Department has filed a lawsuit in federal court against the department, saying she was sexually harassed by the treasurer and then terminated in retaliation for complaining and for filing a complaint. Charles M. Callahan III, who is the chairman of the board of water commissioners is also named as a defendant.”
- *Masslive.com (Springfield, MA)* – February 6, 2011: Peter Goonan, of *The Republican* reported: “As the Palmer Renewable Energy, a limited liability company, headed by Callahan [David], waits to build a controversial \$150-million wood-burning power plant in the city’s East Springfield neighborhood, his family’s political contributions are on the rise. State campaign finance records show contributions given by Callahan and members of his family over the past two years to municipal and state candidates, including Gov. Deval L. Patrick, have approximately tripled. Callahan and seven members of his family, including siblings, and their spouses, contributed \$15,375 to municipal and state candidates in 2010 and \$14,950 in 2009, according to records filed with the state OCPF. State election law places a cap of no more than \$500 per family member per candidate. In contrast, the family’s total political contributions never exceeded \$5,700 a year in the prior three years...Callahan says his family’s history of campaign contributions were never intended to sway officials regarding the plans for the biomass plant and that ‘any suggestion that the most recent contributions are related in any way to the biomass plant is a reckless mischaracterization of our history of giving to this community’...He says he is the only Callahan involved in the biomass project, although Palmer Paving will lease the land to the renewable energy group in what Callahan’s lawyer, Frank P. Fitzgerald, says is an ‘arm’s length’ agreement.” The article goes on to specifically name the members of the Callahan family who have made donations as: David J. Callahan, Erin Callahan [wife of David], Janet Callahan, Julie A. Callahan, Jon E. Callahan, Charles M.

Callahan, Donna Callahan [wife of Charles], and Angela Callahan [wife of Jon]. The candidates who have received these contributions range from governor, lieutenant governor, Springfield Mayor, State Treasurer, State Senators/State Representatives and various members of Springfield City Council.

Additionally, during his interview on June 18, 2013, Callahan advised he had been receiving calls from media reporters regarding a recently published newspaper article alleging a conflict with his position as Chairman of Palmer Water District No. 1 and a pending water permit filed by the Mohegan Sun. Callahan advised he recognized the potential conflict and removed himself from any discussions or decisions involving the Mohegan Sun application. Research of available online and print media sources revealed an article in *The Republican* dated June 14, 2013, confirming Callahan's disclosure. Callahan disclosed his position as Palmer District No. 1 Water Commissioner from May of 1995 until present on his Multi Jurisdictional PHDF.

15. Conclusion

Based on our investigation there were no known facts that would disqualify Charles M. Callahan III based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

D. Jon E. Callahan

The investigation of Jon Edward Callahan, holder of a [REDACTED] interest in Cal Rolling Hills LLC, did not reveal any derogatory information which would impact on his suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier's Name and Verified Information

Research of available online public records and documents provided by Callahan has verified the following information:

Name: Jon Edward Callahan

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Employment History

Research has confirmed that Callahan is currently employed as Operations Manager with Palmer Paving Corporation, 25 Blanchard Street, Palmer, MA 01069. Palmer Paving Corporation is a family-operated construction company that has worked in the public and private sectors building a variety of projects including highways, roadways, airports and other infrastructure-related projects throughout Massachusetts and Connecticut for over 50 years.. He has been employed at Palmer Paving since May of 1993. Employment was confirmed through public records sources and documents provided by the qualifier.

3. Criminal Record

[REDACTED]

4. Education

Callahan disclosed that he attended Long Island University from 1981 to 1982 and studied liberal arts but did not receive a degree. Consultation with the Registrar's Office at this university confirmed that Jon Callahan was enrolled at this university from September 1, 1981 to May 1, 1982 with an Undeclared Major.

Callahan stated that he attended Springfield Technical Community College from 1985 to 1988 and he received an Associate of Science Degree in Civil Engineering. Consultation with the Registrar's Office at this institution has confirmed that Jon E. Callahan received an Associate of Science in Civil Engineering Technology on June 1, 1988. Callahan also disclosed that he attended Wentworth Institute of Technology from 1989 to 1991 and he received a Bachelor of Science Degree in Engineering. Consultation with the Registrar's Office at this institution has confirmed that Jon E. Callahan was awarded a Bachelor of Science in Engineering Technology on September 15, 1991.

5. Professional and Gaming Licenses

Callahan did not disclose any non-gaming professional licenses on his PHDF and none were located to the contrary during the course of research.

Callahan has disclosed that he has never been the applicant for a gaming license in any jurisdiction. Our research, as set forth in the scope and methodology of this report, has not revealed information to the contrary.

6. Directorships and Stockholdings

Research of available Dun & Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports and assorted company records has revealed the following business affiliation for Callahan which were disclosed on his PHDF: Palmer Paving Corporation.

Research has also indicated affiliations with the following entities for Callahan which he did not disclose on his PHDF:

- Stevens Urethane
- JPS Elastomerics Corp.

- Labrie Asphalt and Construction

During his interview on June 21, 2013, Callahan denied any association with JPS Elastomerics or Stevens Urethane. He further advised Labrie Asphalt and Construction was a paving company that was purchased by Palmer Paving.

Callahan has disclosed that he owns a minimum of 5 percent in the following business entities:

- Palmer Paving Corporation
- Palmer Paving Trust
- CKS Realty LLC
- CKS Energy Inc.
- CAL Technologies Corporation
- Callahan Real Estate Development LLC
- CAL Investment LLC
- Libri Realty Trust
- Boston Road Realty Trust
- CAL Rolling Hills LLC
- JJC Materials Inc.
- JJC Materials of Maine Inc.
- Boston Road Wilbraham Limited
- Monson Sand and Gravel Inc.

Callahan's business interests are discussed in greater detail in the Financial Suitability section of this report.

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States has revealed the following records personally naming Callahan.

Mississippi UCC Record

Debtor: CKS Energy Inc.; CKS Realty LLC

Secured Party: Jon Callahan

Filing Number: 20070060286B

Filing Date: March 26, 2007

Status: Terminated August 5, 2010

*UCC filings are not required to be disclosed on the PHDF.

Research of the above stated records and filings also revealed litigation naming Palmer Paving which Callahan did not disclose on his PHDF. This litigation has been set forth in the suitability report on David J. Callahan, who is CEO of Palmer Paving. When questioned regarding the Palmer Paving litigation during his interview on June 21, 2013, Callahan advised he was not fully aware of the Palmer Paving's litigation matters, as they were usually reviewed by his brother David Callahan and Palmer Paving's attorney.

8. Bankruptcy

[REDACTED]

9. Property Ownership

[REDACTED]

10. Financial Suitability Evaluation

[REDACTED]

Income Analysis

[REDACTED]

[REDACTED]

Net Worth Analysis

[REDACTED]

Assets

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Conclusion as to Financial Suitability

We have not uncovered any information that Jon Callahan does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

The investigation has confirmed that Callahan has not made any prohibitive political contributions in Massachusetts that violate M.G.L. c. 23K, § 46 or 205 CMR 108.00.

12. Significant Investigative Issues

None.

13. References

[REDACTED]

[REDACTED]

[REDACTED]

The above-named references were contacted and queried regarding the character and integrity of Callahan. All three references indicated that Callahan was of the highest character and integrity. [REDACTED]

[REDACTED] No derogatory information was developed which would preclude Callahan from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did reveal one adverse item relative to Jon Callahan and other members of the Callahan family regarding political contributions. This item is summarized below:

- *Masslive.com (Springfield, MA)* – February 6, 2011: Peter Goonan, of *The Republican* reported: “As the Palmer Renewable Energy, a limited liability company, headed by Callahan [David], waits to build a controversial \$150-million wood-burning power plant in the city’s East Springfield neighborhood, his family’s political contributions are on the rise. State campaign finance records show contributions given by Callahan and members of his family over the past two years to municipal and state candidates, including Gov. Deval L. Patrick, have approximately tripled. Callahan and seven members of his family, including siblings, and their spouses, contributed \$15,375 to municipal and state candidates in 2010 and \$14,950 in 2009, according to records filed with the state OCPF.

State election law places a cap of no more than \$500 per family member per candidate. In contrast, the family’s total political contributions never exceeded \$5,700 a year in the prior three years...Callahan says his family’s history of campaign contributions were never intended to sway officials regarding the plans for the biomass plant and that ‘any suggestion that the most recent contributions are related in any way to the biomass plant is a reckless mischaracterization of our history of giving to this community’...He says he is the only Callahan involved in the biomass project, although Palmer Paving will lease the land to the renewable energy group in what Callahan’s lawyer, Frank P. Fitzgerald, says is an ‘arm’s length’ agreement.” The article goes on to specifically name the members of the Callahan family who have made donations as: David J. Callahan, Erin Callahan [wife of David], Janet Callahan, Julie A. Callahan, Jon E. Callahan, Charles M. Callahan, Donna Callahan [wife of Charles], and Angela Callahan [wife of Jon]. The candidates who have received these contributions range from governor, lieutenant governor, Springfield Mayor, State Treasurer, State Senators/State Representatives and various members of Springfield City Council.

15. Conclusion

Based on our investigation there were no known facts that would disqualify Jon E. Callahan based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

E. Julie A. Callahan

The investigation of Julie Ann Callahan holder of an option to acquire a [REDACTED] interest in Cal Rolling Hills LLC, did not reveal any derogatory information which would impact on her suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier’s Name and Verified Information

Research of available online public records and documents provided by Callahan has verified the following information:

Name: Julie Ann Callahan

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Employment History

On question 15 of her PHDF, Callahan indicated she has been unemployed since September of 1998. Callahan indicated she was employed as the Sales Administration General Manager of Palmer Paving Corporation from March of 1986 until September of 1998. Employment was confirmed through public records sources and documents provided by the qualifier.

3. Criminal Record

[REDACTED]

4. Education

Callahan disclosed that she attended the University of Massachusetts, where in 1982 she received a Bachelor of Science Degree in Business with a concentration in hotel and restaurant management. Research has verified that Callahan received a Bachelor of Science Degree in Hotel, Restaurant, Travel Administration from the University of Massachusetts, Amherst, May 31, 1982.

5. Professional and Gaming Licenses

Callahan did not disclose any non-gaming professional licenses on her PHDF and none were located to the contrary during the course of research.

Callahan has disclosed that she has never been the applicant for a gaming license in any jurisdiction. Our research, as set forth in the scope and methodology of this report, has not revealed information to the contrary.

6. Directorships and Stockholdings

Research of available Dun & Bradstreet Business Filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports and assorted company records has revealed the following business affiliations for Callahan:

- CAL Technologies Inc.
- JJC Materials Inc. (New Hampshire) – withdrawn
- JJC Materials Inc. (Massachusetts) – active
- Monson Sand & Stone Inc. (Massachusetts) – inactive

Callahan did not disclose her affiliation with Monson Sand and Stone Inc., but did disclose her affiliation with a similar named entity, Monson Sand and Gravel. When questioned regarding this inconsistency during an interview on April 7, 2013, she stated she did not recognize the company Monson Sand and Stone, but stated it might be an affiliate of Monson Sand and Gravel.

Research of the Spanish Register of Enterprises revealed her [REDACTED] ownership of the following Spanish Entity which she did not disclose on her PHDF: LaEvolucion Barcelona SL

During a telephonic interview on April 7, 2013, Callahan advised that LaEvolucion Barcelona, SL is a lighting design company she and her husband started in Spain when the residential housing industry was active. She further stated the business is currently inactive.

Callahan has disclosed that she owns a minimum of 5 percent in the following business entities:

- Palmer Paving Corporation
- Libri Realty Trust (sold in 2006)
- JJC Materials
- JJC Materials of Maine Inc. (dissolved in 2010)
- CAL Investments LLC
- CAL Technologies Corporation (liquidated in December 2012)
- CAL Real Estate Development LLC (cancelled)
- CAL Rolling Hills LLC
- CKS Energy (sold August 2010)
- CKS Realty LLC (sold August 2010)
- Monson Sand and Gravel (dissolved and liquidated)
- Palmer Paving Trust (merged in March 2006)
- Curilater Inc.

Research of available Dun & Bradstreet Business Filings did not confirm this information.

Callahan's business interests are discussed in greater detail in the Financial Suitability section of this report.

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States has not revealed litigation naming Julie Ann Callahan. Civil location was revealed for Palmer Paving Corporation, and for brevity has only been set forth in the suitability report of David J. Callahan, who is the CEO of Palmer Paving Corporation. During an interview on April 7, 2013, Callahan advised she has not been involved in the daily activities of Palmer Paving Corporation since July of 1998 and was not aware of any litigation since that time.

8. Bankruptcy

[REDACTED]

9. Property Ownership

[REDACTED]

10. Financial Suitability Evaluation

[REDACTED]

Income Analysis

[REDACTED]

[REDACTED]

Net Worth Analysis

[REDACTED]

Assets

[REDACTED]

[REDACTED]

[REDACTED]

Conclusion as to Financial Suitability

We have not uncovered any information that Julie Callahan does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

The investigation has confirmed that Callahan has not made any prohibitive political contributions in Massachusetts that violate M.G.L. c. 23K, § 46 or 205 CMR 108.00.

12. Significant Investigative Issues

None.

13. References

[REDACTED]

The above named references were contacted and queried regarding the character and integrity of Callahan. All three references indicated that Callahan was of the highest character and integrity. [REDACTED]

F. Vincent F. Barletta

Vincent F. Barletta is the beneficial holder of a [REDACTED] interest in Rolling Hills Development LLC and trustee of Rolling Hills Estate Realty Trust.

1. Qualifier's Name and Verified Information

Research of available online public records and documents provided by Barletta has verified the following information:

Name: Vincent Frederick Barletta

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4. Education

Barletta disclosed that he attended Northeastern University during a two-year period from 1988 to 1990. He indicates that he graduated from that institution and that the course of study was business management. Consultation with the registrar’s office at Northeastern revealed that Barletta, student ID No. 00902539, attended this institution for a five-year period from September 26, 1988, to September 22, 1993, but did not receive a degree, or, in essence, did not graduate. Further inquiries were conducted with the registrar’s office regarding this matter, all resulting in no degrees being found for him.

During a personal interview with Barletta on June 14, 2013, he was asked whether he had either graduated from Northeastern University or had obtained a degree from that institution and he stated that he had not. When asked about the discrepancy regarding his response on the PHDF as relates to both the dates of attendance as well as answering “yes” to whether he graduated from Northeastern, Barletta replied that the answer to that question was not correct. Again, Barletta mentioned that he actually had not completed the application himself and the correct answer should have been “no.” See the Significant Investigative Issues sub section for further details.

5. Professional and Gaming Licenses

Barletta did not disclose any professional licenses on his PHDF and research did not reveal any such licenses for him.

Barletta has disclosed that he has never been the applicant for a gaming license in any jurisdiction. Our research, as set forth in the scope and methodology of this report, has not revealed information to the contrary.

6. Directorships and Stockholdings

Research of available Dun & Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports and assorted company records has revealed the following business affiliations for Barletta:

- 13 Bridge Street Corporation (MA)
- 13 Bridge Street Partnership
- Barletta Cape Properties Limited Partnership (MA)
- Barletta Cape Properties LLC (MA)
- Barletta Engineering
- Barletta Engineering Corporation (MA)
- Barletta Heavy Division Inc. (MA)
- Barletta Heavy Division Inc. (NH)
- Barletta Heavy Division Inc. (RI)
- Barletta Industrial Division LLC (MA)
- Barletta Willis Investments LLC (MA)
- BID Holbrook LLC
- BLD Constructors LLC
- Caletta Renewable Energy LLC
- Construction Industries of Massachusetts Inc. (MA)
- Global Resource Industrial and Power Inc. (MA)
- Osprey Equipment Corp. (MA)
- Osprey Equipment Corp. (RI)
- Rolling Hills Development LLC (MA)
- Royal Equipment Leasing LLC (NH)

- The Barletta Co. Inc. (MA)
- Thornton Asia Holding LLC (MA)
- Thornton Group LLC (MA)
- TLA Holbrook LLC/TLA Holbrook Waste Services (MA)
- University Constructors LLC (MA)
- VDB Real Properties Inc. (MA)
- Veterans Above the Line New England (MA)
- Whirlwind Capital LLC (MA) (Real estate arm of the Barletta companies)

This is consistent with the information disclosed by Barletta in his PHDF. Additional interests were found during research and after an interview, were found to be inactive, dissolved, or pertained to Barletta's late father, also named Vincent Barletta.

It should also be noted that the following additional entities and trusts were disclosed by Barletta in which he lists himself in the capacity as an officer. (All are Massachusetts entities except where noted.) It should be noted that some of these affiliations could not specifically be connected to Barletta through research.

- | | |
|--|----------------------------------|
| • 730 Southard Trust | • Palmer Renewable LLC |
| • Barletta Construction Trust | • PPB Advisors Holdings LLC (PA) |
| • Barletta Dynasty Trust | • Princeton Land Corp. |
| • Barletta Heavy/O&G JV | • Rocky Hill Realty Trust |
| • Barletta Heavy/Shank/Balfour Beatty JV | • Sparrows Point Intriplex LLC |
| • Barletta Heavy/Walsh JV | • Sparrows Point Shipyard LLC |
| • BEC 1999 Development Trust | • SPS 35 LLC |
| • BEC Campanelli Development Trust | • SPS 49 LLC |
| • BEC Sterling Trust | • SPS Capital Management LLC |
| • BWI Sparrows Point LLC | • SPS Holdings LLC |
| • Castleland Realty Trust | • SPS Limited Partnership LLLP |
| • CF Partners LLC (PA) | • Unitrac LLC |
| • Erie Renewable LLC | • VFB Roslindale Trust |
| • LPG Associate LP | • VFB Weston Realty Trust |
| | • Whipple Avenue Realty Trust |

Barletta has disclosed that he owns a minimum of 5 percent in the following business entities:

- Whirlwind Capital LLC [REDACTED]
- Rolling Hills Development LLC [REDACTED]
- SPS Holdings LLC [REDACTED]
- PPB Advisors Holdings LLC [REDACTED]
- Thornton Asia Holdings LLC [REDACTED]
- Barletta Cape Properties LLC [REDACTED]
- 13 Bridge Street Corp. [REDACTED]
- CF Partners KKC [REDACTED]
- VDB Real Properties NC [REDACTED]
- Barletta Engineering Corp. [REDACTED]
- Barletta Heavy Division [REDACTED]

Research has verified this information. Barletta’s business interests are discussed in greater detail in the Financial Suitability Evaluation section of this report.

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States has revealed the following records personally naming Barletta. We are particularly concerned with the subject matter of the litigation brought by plaintiff Clean Venture Inc., v. certain Barletta owned companies and natural person qualifiers herein:

United States District Court, District of Maryland (Baltimore)

Case Number: 1:08-CV-03059

Case Name: Clean Venture Inc., v. Sparrows Point Metal Recovery LLC et al

Date Terminated: January 11, 2008

Nature of Suit: 470 Racketeer/Corrupt Organization – RICO Act

Plaintiff: Clean Venture Inc.

Defendants: Sparrows Point Metal Recovery LLC, Barletta Engineering Corporation, SPS Limited Partnership LLLP, John Bulman, Vincent Barletta, James Rodgers, Jeffrey Siragusa, Timothy Barletta, Whirlwind Capital LLC, BWI Sparrows Point LLC, et al

Final Disposition: Settled

Allegations underlying the civil Racketeer Influenced Corrupt Organization (“RICO”) claim in this litigation include Wire Fraud, Setting Aside of Fraudulent Conveyance, Civil Conspiracy, Aiding and Abetting, and Breach of Fiduciary Duty. This case was disclosed by Barletta on his PHDF, but was only identified as a “Collection Piercing Claim” – not a complete characterization of causes of action in this case. We obtained the docket sheet, complaint and

final dismissal of this matter. The complaint in the above case filed by Clean Venture Inc. alleges that the Barletta brothers, Timothy and Vincent, are officers of North American Ship Recycling Inc. (“NASR”). NASR was formed in 2004 when the Barletta brothers, along with John Bulman, formed NASR through an entity called Eiger Trust, which by information and belief, the Barlettas controlled themselves, or through corporate or similar entities that they controlled. The Barlettas then caused NASR to enter into a lease with defendant SPS Limited Partnership LLLP for the space at Sparrows Point Shipyard, owned by defendant BWI Sparrows Point LLC. Through NASR, the defendants bid on contracts offered by the United States Maritime Administration (“MARAD”) for the dismantling of retired MARAD reserve fleet vessels. The complaint alleges that the defendants used NASR to obtain a subcontract from Clean Venture for the environmental remediation and hazardous-waste removal work that the MARAD contract required. It is alleged that NASR never had its own employees performing billing and accounts payable functions, but instead, Barletta Engineering and/or another entity controlled by some or all of the defendants performed such work and controlled all NASR accounts, stating that NASR at all times was a shell corporation, with all major managerial functions performed by persons not employed by NASR. The complaint alleges that the defendants misrepresented that payments to Clean Ventures would be forthcoming after the completion of the work and after invoices had been outstanding for months. They were owed approximately \$750,000, and the defendants misrepresented that Clean Venture had somehow done the work improperly and therefore should not be paid. It is alleged in the complaint that the defendants fraudulently received some or all of the \$750,000 that Clean Venture was due and that the defendants caused the transfer from NASR to other defendants for the purpose of not paying Clean Venture for the work. The complaint goes on to allege that NASR and the defendants knowingly continued to delay payment even after a preliminary settlement had been agreed upon, so that they could use the capital for other projects.

In particular, they allege that John Bulman acting on the direction of, and in agreement with, the defendants, incorporated Sparrows Point Metal Recovery LLC and at about that time directed the fraudulent conveyance to Sparrows Point Metal Recovery LLC all assets of NASR. Through this new entity, the defendants continued to work dismantling vessels, and obtaining income from that work, which some or all of the defendants directly or indirectly took for themselves. The complaint alleges that throughout this time, the defendants, acting through NASR, continued to misrepresent that NASR was an active, ongoing corporation, and to conceal

that NASR was insolvent and in fact had for some time been insolvent. The complaint maintains that immediately before the trial of this case, or sometime during it, defendants terminated the lease between NASR and SPS Limited Partnership LLLP, effectively ceasing NASR's right to operate at the Sparrows Point Shipyard facilities and in default of NASR's obligation to MARAD. The defendants did not inform MARAD or Clean Venture of this. Further, the complaint alleges that the defendants intentionally and fraudulently, including with the advice and/or knowledge and/or assistance of their legal counsel, caused the transfer of assets from NASR to themselves, and other entities, without the payment of due consideration and for the express purpose of avoiding payment to creditors.

Counsel to NASR, SPS Limited Partnership LLLP, and Barletta Engineering admitted to MARAD that the formation of Sparrows Point Metal Recovery LLC on September 25, 2007, was for the express purpose of avoiding payment to Clean Venture of the \$750,000 judgment. It is alleged that Timothy and Vincent Barletta owed creditors a fiduciary duty as officers/directors of NASR, which included providing payment of those creditors once NASR became insolvent, and not convey such assets from NASR to others so that NASR would be unable to pay creditors. The complaint alleges RICO elements and other charges against the defendants to include: wire fraud, breach of fiduciary duty, and that they have derived income from a pattern of racketeering activities. The case was settled and Clean Venture dismissed the case after settlement with the defendants.

After a request for additional information, and further clarification of this case, a synopsis and explanation was submitted by Barletta through counsel John G. Bulman, Esq., also a co-defendant (and qualifier herein) in this matter, and is as follows:

Plaintiff, Clean Venture Inc. had subcontracted with an entity known as North American Ship Recycling (NASR) that operated at the Sparrows Point Shipyard in Sparrows Point, Maryland, owned by SPS Limited Partnership (SPS). Clean Venture and NASR disputed sums due under a subcontract for removal of certain materials from the vessels dismantled by NASR. Clean Venture sought significant unapproved change orders in excess of its contract balance. When NASR ceased doing business, it was involved in a collection action with Clean Venture, after a judgment was rendered against it in a civil action with Clean Venture, as a result of which NASR was indebted to Clean Venture in an amount in excess of approximately \$750,000. NASR ceased doing business with no assets and discontinued all business operations, leaving that judgment in favor of Clean Venture unsatisfied. NASR also owed its other creditors, including SPS for unpaid rents and other sums due.

As a result of being unable to satisfy its judgment against NASR, the plaintiff filed the above entitled action against SPS, its limited and general partners, SPS's attorney, NASR's officers, directors, and numerous entities in any way related to or having done business with NASR. The plaintiff alleged among other claims, piercing of corporate entities, RICO violations, fraudulent conveyances, unjust enrichment, civil conspiracy, and similar claims against the numerous defendants, including up to 10 unnamed John Doe defendants. James Rodgers and Timothy Barletta were officers of NASR, and also employees of Barletta Engineering Corporation had also loaned funds to NASR during the course of its operations. John Bulman was counsel for SPS and Barletta Engineering Corporation, and an officer of Sparrows Point Shipyard LLC, the general partner of SPS and the President and Treasurer of Barletta Engineering Corporation. Jeffrey Siragusa was an employee of NASR.

No motion for summary judgment or other dispositive motions had yet been filed by the defendants in the action and the plaintiff had essentially conducted all of its depositions and discovery. The case was settled after completion of plaintiff's discovery, with a settlement agreement executed in late December 2008. The plaintiff and defendants settled all claims, including any potential causes of action by the defendants against plaintiff. The terms of the settlement agreement are subject to a confidentiality agreement, however, there was no admission of liability by plaintiffs or defendants.

Additionally, subsequent to entry into settlement between the parties, the plaintiff, Clean Venture, provided the defendants with its express acknowledgment that "after seeking and obtaining discovery in connection with the lawsuit, Clean Venture acknowledges that it has uncovered no facts to support or sustain its RICO claims against any of the defendants, nor did discovery reveal any conclusive evidence of any conveyances which were fraudulent or made with fraudulent intent.

A copy of this letter, signed by Clean Venture President Michael Persico, sent to Vincent F. Barletta, President of Barletta Engineering Corporation, and dated January 4, 2008, was obtained and is included in this case Master File.

We note that the US Department of Transportation Maritime Administration became involved, submitting an October 30, 2007, letter by its Chief Counsel to the federal District Court judge advising the Court that the actions by NASR jeopardize government property, interfere with the ship scrapping process, and may endanger public safety. We have obtained a copy of this letter.

It was noted that Barletta did not disclose any business affiliation with North American Ship Recycling or Sparrows Point Metal Recovery LLC on his PHDF. During an interview, Barletta advised that he held no offices or position within NASR nor with Sparrows Point Metal recovery and that his position at the time was manager of the general partner of SPS and the President and Treasurer of Barletta Engineering Corporation.

The following US Court cases were located relative to the above matter, some of which preceded the above RICO filing. They did not name Barletta personally but were not disclosed as business-related lawsuits on his PHDF.

United States District Court, District of Maryland (Baltimore)

Case Name: Clean Ventures Inc. v. North American Ship Recycling Inc. et al

Case Number: 1-06-CV-02027

Plaintiff: Clean Ventures Inc.

Defendant: North American Ship Recycling (NASR)

Barletta Willis LLC, SPS Limited Partnership, LLLP

Interested Party: US Maritime Administration

Counter Claimant: North American Ship Recycling (NASR)

Counter Defendant: Clean Ventures Inc.

Disposition: Final judgment in favor of Clean Venture against defendant NASR in the amount of \$750,000

United States District Court, District of New Jersey (Newark)

Case Name: Clean Venture Inc. v. North American Ship Recycling (NASR)

Case Number: 2-06-CV-00097

Plaintiff: Clean Venture Inc.

Defendant: North American Ship Recycling (NASR)

Barletta Willis LLC, SPS Limited Partnership, LLLP

Disposition: Transferred to District Court of Maryland (Baltimore)

US Court of Federal Claims (COFO)

Case Name: North American Ship Recycling Inc. V. USA

Date Filed: 10/29/2008

Date Terminated: 4/24/2009

Nature of Suit: Government Service Contract

Jurisdiction: US Government defendant

Plaintiff: North American Ship Recycling In.

Defendant: USA

Disposition: case dismissed pursuant to Rule 41 (a) (1) (b) lack of jurisdiction, voluntary dismissal

Regarding these cases, it was explained through general counsel John Bulman that is was not known that the Barletta-related companies were listed as parties on these latter matters and that one of these cases relates to the transferring of the case from New Jersey to Baltimore, MD.

The circumstances giving rise to the Clean Ventures litigation raise concern as to the integrity of the business practices of the defendant companies and natural person qualifiers. We do note that the settlement included a statement by plaintiffs essentially retracting the civil racketeering and fraud allegations. Of further concern is the October 30, 2007, letter by the US Department of Transportation Maritime Administration Chief Counsel to the federal District

Court judge advising the Court that the actions by NASR jeopardize government property, interfere with the ship scrapping process, and may endanger public safety; these concerns likewise go to the integrity of the defendants actions. We address this further in our Conclusion of the suitability of Vincent F. Barletta.

Another case found during research naming Barletta personally is:

Superior Court of New Jersey, Chancery Division, Bergen County

Docket No. C-104-05

Walter R. Krzastek v. Global Resource Industrial and Power Inc. Barletta Heavy Division Inc., Vincent Barletta, Thomas Buchanon, Pinelawn Constructors LLC. John Does 1-20, ABC Companies 1-20.

Date of Complaint: May 2005

Final Judgment Rendered: October 2006

This matter pertained to a severance and benefits package claimed by Walter R. Krzastek, who filed suit against Barletta and various Barletta Company divisions. Krzastek claimed he did not receive said benefits from his participation in a joint venture to develop power and industrial projects. The case was closed in favor of the plaintiff. This case was disclosed by Barletta in his PHDF and was discussed with him during an interview on June 14, 2013.

An additional case found during research which personally names Barletta and which was not disclosed is identified as:

Circuit Court for Baltimore County

Case Name: Jones v. Mittal Steel USA Inc.

Case Number: 03CO6007019

Plaintiff: Russell Jones

Defendant: Mittal Steel USA, Vincent Barletta, Barletta Willis

Status: Closed

Date Filed: July 3, 2006

Disposition Date: September 6, 2007

During an interview with Barletta, he advised that this case involved a motorcycle accident on a contiguous property with the Barletta Shipyard in Baltimore. This property is owned by Mittal Steel, where the motorcycle struck an object causing personal injury. Barletta was a co-defendant because of his ownership of his property in relation to that of Mittal Steel.

Additional cases naming Vincent Barletta were found and each was discussed with Barletta as well as with his general counsel. These cases were either found to be cases involving Barletta in his capacity as a plaintiff trustee, workman's comp cases, or civil cases that involved Barletta's late father, also named Vincent Barletta.

A review of business-related cases not naming Barletta personally found during research that were both disclosed and not disclosed were reviewed with both Barletta and general counsel; in our opinion they are routine business litigation matters, and thus not set forth herein. They are part of the case file.

Cases that were found during research that listed Barletta as a defendant in his capacity as a trustee are noted below with an explanation of each provided by Barletta during an interview.

Superior Court, Worcester County, MA

Case Name: Erickson Trustee et al v. Barletta Trustee

Case Number: WOCV-2009-0090

Description: Title Dispute

Nature of Suit: Civil-Complex

Date Filed: January 13, 2009

Plaintiffs: Diane Erickson Trustee, Gary M. Erickson, Trustee

Defendants: Timothy Barletta Trustee, Vincent Barletta Trustee

This case involved a dispute over the building of a subdivision road by Barletta's company and involved an accessibility issue onto the property of plaintiff Erickson who owned a business at that location (title dispute). Case was settled.

Commonwealth of Massachusetts, Suffolk Superior Court

Docket Number: SUCY2000-00700

Case Name: Weston Associates Inc. et al v. Barletta Trustee

Filing Date: February 17, 2000

Case Status: Disposed

Status Date: May 22, 2001

Plaintiff: Paul Donahue, Weston Associates Inc.

Defendant: BEC Weston Realty Trust, Vincent Barletta Trustee

Plaintiff was a broker who was suing for a commission for bringing a buyer to defendant trust who ultimately never brought the property. Property included nine housing lots in Weston, MA. Case was disposed of with no agreement being reached.

Commonwealth of Massachusetts, Middlesex Superior Court

Docket Number: MICV2004-05017

Case Name: Stock Building Supply Inc. v. Vincent Barletta Trustee

Filing Date: December 21, 2005

Case Status: Disposed by settlement

Status Date: June 22, 2005

Plaintiff: Stock Building Supply Inc. d/b/a General Builders Supply

Defendant: Vincent Barletta, Trustee of BEC 1999 Developmental Trust

This was a claim of poor workmanship suit. Barletta Trust purchased windows for a housing project and claimed the product was faulty and withheld payment. Stock Building

Supply sued the Trust for payment. Settlement was made by the plaintiff replacing the faulty product.

Commonwealth of Massachusetts, Middlesex Superior Court

Docket Number: MICV2005-00931

Case Name: David Feeley Enterprise Inc. v. Devaney

Filing Date: March 21, 2005

Case Status: Disposed by settlement

Status Date: May 15, 2006

Plaintiff: Dave Feeley Enterprises

Defendant: Vincent Barletta Trustee of BEC 1999 Development Trust

Plaintiff was a cabinet contractor who was suing Devaney, the general contractor utilized by the BEC 1999 Developmental Trust (Vincent Barletta trustee) which was building condominiums in Wakefield, MA. A settlement was reached between the parties. (The dispute concerned the quality of the cabinetry.)

Commonwealth of Massachusetts, Middlesex Superior Court

Docket Number: MICV2012-01401

Case Name: Babineau et al v. Barletta, Trustee of the Whipple Ave. Realty

Filed: April 11, 2012,

Status: Needs Discovery

Plaintiff: Babineau, Scott; Babineau, Susan

Defendant: Vincent Barletta: Trustee of BEC Development Trust

This was a Workman's Compensation case. Plaintiff employee sued the Trust who owned the property for a serious ankle injury and the case is still pending.

Massachusetts Appeals Court

Case Name: Vincent Barletta Trustee v. Albert M. Todesco Trustee

Case Number: 2008-P-0807

Lower Court: Norfolk Superior Court

Plaintiff/Appellant: Vincent Barletta, Trustee

Defendant/Appellee: Albert Todesco, Trustee

Nature: Property Dispute

Entry Date: May 7, 2008

Decision: June 15, 2009

Commonwealth of Massachusetts Norfolk Superior Court

Docket Number: NOCV2006-00540

Case Name: Barletta Trustee V. Todesco Trustee, et al

Filing Date: March 29, 2006

Case Status: Dismissed

Status Date: September 2, 2009

Plaintiff: Vincent F. Barletta, Trustee

Defendant: Albert M. Todesco, Trustee; Paul Todesco, Trustee

Both of the above cases concerned a dispute over the purchase of a 10- to 12-acre property in Stoughton, MA, that the Barletta Trust was purchasing for development. The property was found unsuitable after testing and the Trust backed out of the sale and requested its deposit back. This case remains pending according to the general counsel.

Also, the Vincent F. Barletta Trust and/or Vincent F. Barletta and/or BEC 1999 Development Trust are named as the debtor/creditor on thirteen Massachusetts UCC filings over the last fifteen year period. In an interview with Barletta's counsel it was confirmed that numerous UCC filings may exist as they pertain to Barletta's normal financial/trust-related matters and to their knowledge there are no specific liens or judgments filed against Barletta of a derogatory nature.

8. Bankruptcy

[REDACTED]

9. Property Ownership

[REDACTED]

[REDACTED]

[Redacted text block]

10. Financial Suitability Evaluation

[Redacted text block]

Income Analysis

[Redacted text block]

[Redacted]

[Redacted]

Net Worth Analysis

[Redacted]

[Redacted]

Assets

[Redacted]

[REDACTED]

Conclusion as to Financial Suitability

We have not uncovered any information that Barletta does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

This investigation has confirmed that Vincent Barletta has made political contributions in Massachusetts subsequent to the filing date of this application. Barletta is a qualifier for this application by virtue of his [REDACTED] interest in Rolling Hills Development LLC and his role as trustee of the Rolling Hills Estate Realty Trust. Rolling Hills Development LLC is a beneficiary of the Rolling Hills Estates Realty Trust, which negotiated with MGM Resorts International for a release from the Option Agreement for purchase of the Brimfield site and whereby Rolling Hills Estates Realty Trust will receive a perpetual income stream from gaming revenue generated by the Springfield facility should the Applicant be successful in receiving a license. See Exhibit 39 for a list of Barletta's political contributions in Massachusetts subsequent to the date of the filing of this application.

12. Significant Investigative Issues

Vincent F. Barletta's application to the Massachusetts Gaming Commission contained factual errors, including (1) answering in the negative whether his driver's license had ever been suspended, when it had been suspended on five occasions; and (2) answering that he had graduated from Northeastern University, when in fact he had not.

Due to concerns regarding these misstatements, subsequent to an informal interview on June 13, 2013, on July 24, 2013, Investigators conducted a sworn interview of Barletta. In this statement (Exhibit 36), Barletta confirmed these answers were not factual, explaining he had delegated the preparation of his Multi-Jurisdictional Personal History Disclosure Form and the Massachusetts Supplemental Personal History Disclosure Form to Ronald J. Gillis Jr., who also placed Barletta's initials on each page. Barletta then signed the Statement of Truth, but did not review the completed application for content or accuracy.

Immediately below are excerpts from the sworn interview conducted by the Investigators with Vincent Barletta. (See pages 8-15 of Barletta interview).

[QUESTION]: And contained in the statement of the truth is a verification – Actually, looking at the five statements on the statement of truth, number one says I am the applicant who is submitting this application form. Number two, I personally supplied the information contained in this form. Is number two a correct and truthful statement?

[BARLETTA]: Not all of the information – I didn't fill the form out myself. And not all of the information in the form I supplied to the individual that did. So, some of the information I assumed he knew but I didn't physically go over it with him prior to the submission going out a couple of days later.

[QUESTION]: Could you explain the process on how your application was compiled?

[BARLETTA]: Probably a month before the application went in, I was given some questions, family background. And I started to fill them out, the items that I alone would know. And I answered as many as I could. Then I handed them off to Ron Gillis who transcribed them into the form.

[QUESTION]: Just for clarity, we are talking about both applications, the multijurisdictional application as well as the Massachusetts supplement?

[BARLETTA]: Correct.

[QUESTION]: Once Mr. Gillis inserted the information onto the application, did you then review the applications before they were submitted to the Massachusetts Gaming Commission?

[BARLETTA]: No, I did not.

[QUESTION]: Did you sign the statement of truth?

[BARLETTA]: Yes.

[QUESTION]: Can you turn to page two of the multijurisdictional personal history disclosure form?

[BARLETTA]: Yes.

[QUESTION]: Looking down at item number one specifically (D), it reads: you must use blue ink to personally initial, date and identify the gaming agency to which your application is being submitted in the space provided on the bottom of each page of the form. Are there initials contained on your application on each page?

[BARLETTA]: Yes.

[QUESTION]: Did you place those initials there?

[BARLETTA]: No, I did not.

[QUESTION]: Who placed those initials on each page?

[BARLETTA]: I believe it was Ron Gillis.

[QUESTION]: Was that done at your direction?

[BARLETTA]: Yes.

...

[QUESTION]: Regarding the Massachusetts supplement, could you turn to question number 15, please?

[BARLETTA]: Yes.

[QUESTION]: I am going to read the question. It says has any motor vehicle license, registration or operator license held by or applied by you or your spouse ever been revoked or suspended? Did I read that question correctly?

[BARLETTA]: Yes.

[QUESTION]: On the application in front of you, on your application, what is your answer there?

[BARLETTA]: No.

[QUESTION]: Is that a truthful answer?

[BARLETTA]: No.

...

[QUESTION]: Could you turn to page 11, question number 13 in the multijurisdictional personal history disclosure form?

[BARLETTA]: Yes.

[QUESTION]: You should be on page 13, question number 11 educational data?

[BARLETTA]: Yes.

[QUESTION]: Do you see an entry indicating attendance, I assume it should be Northeastern University? The S is out of Northeastern.

[BARLETTA]: Correct.

[QUESTION]: Between September 1988 and December 1990?

[BARLETTA]: Correct.

[QUESTION]: It says description of education program business management?

[BARLETTA]: Yes.

[QUESTION]: Then there's a column that says graduated yes or no. Do you see the entry that says yes?

[BARLETTA]: Correct.

[QUESTION]: Is that a truthful statement?

[BARLETTA]: No, I didn't finish my program.

[QUESTION]: So you did not graduate from Northeastern University?

[BARLETTA]: Correct.

From our investigation it is unclear whether Barletta intentionally submitted incorrect information in his application. Assuming the applicant was truthful in his July 24, 2013, sworn statement, at the very least the submission of erroneous information to the Commission was the result of careless indifference to the application process.⁸³ Regarding the incorrect answer that he had graduated from Northeastern University, we do note that on the website of Calleta Renewable Energy, which is a company co-founded by Vincent Barletta, his biography lists him as having a Bachelor's Degree in Management from Northeastern University.

We also discovered that Ronald J. Gillis Jr. had signed qualifier Barletta's name on the Waiver of Liability Release Form, which is an attachment to the Massachusetts Supplement of Vincent Barletta. This form was then notarized by Gillis, who as a notary attested that the signature was Barletta's. Gillis explained his actions as regrettable and stated that at the time he was under great pressure to submit the completed applications by a particular date and that Barletta was out of state at the time. This matter is also set forth in the Significant Investigative Issues subsection of the report on qualifier Gillis. Immediately below are excerpts from the sworn interview conducted by the Investigators with Gillis. (See pages 11 of Gillis interview):

[QUESTION]: Just one for clarification on the waiver of liability for Vincent Barletta that you had spoken about earlier and that signature.

[GILLIS]: I believe I talked to Vin. He missed this form, so, I signed that.

[QUESTION]: This was a remaining form that needed to be signed and he wasn't available and he authorized you to sign the form for him?

[GILLIS]: Yes.

[QUESTION]: Just so the record is clear, we are talking about page 14 entitled waiver of liability dated 12/21/2012?

[GILLIS]: Yes.

[QUESTION]: There is actually a signature of a notary on that?

[GILLIS]: Correct.

[QUESTION]: And the notary is Ronald J. Gills, Jr.?

[GILLIS]: Yes.

[QUESTION]: So it is your statement that you signed as notary as well as the signature of the applicant?

[GILLIS]: Yes.

⁸³ Supplemental responses, corrections, and additional information was subsequently submitted by Barletta and is included in the case Master File.

We did discuss this with Barletta during his sworn statement, and contrary to Gillis, he testified that the signature on the Waiver of Liability was his own. While we have not subjected the signature to forensic review, it does not appear similar to other signatures of Vincent F. Barletta that are contained in the application.

13. References

[REDACTED]
[REDACTED]
[REDACTED]

The above-named references were contacted and queried regarding the character and integrity of Barletta. All three references indicated that Barletta was of the highest character and integrity. [REDACTED]

[REDACTED] No derogatory information was developed which would preclude Barletta from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources has revealed the following derogatory items pertaining to Vincent Barletta and/or companies he operates:

- *Metal Bulletin Daily Alerts* – November 27, 2007, “(AMM) Owners of missing ‘Ghost’ Dismantler Facing Fraud Suit.” It is reported that the owners of North American Ship Recycling Inc. (NASR), a Sparrows Point, MD shipbreaker, are being accused of fraudulently transferring assets to escape paying a court judgment, according to a lawsuit filed by attorneys for an Elizabeth, NJ toxic cleanup company. The lawsuit- alleging wire fraud, unjust enrichment, civil conspiracy, aiding and abetting and breach of fiduciary duty has been filed under the federal Racketeer Influenced and Corrupt Organizations (RICO) Act against Timothy Barletta, NASR’s president; brother Vincent Barletta, a company officer; John Bulman, the company’s attorney; various colleagues and certain affiliated businesses.”
- *The Baltimore Sun Company*- November 20, 2007, “Shipyard Owner Accused of Fraud; Contractor Owed for Sparrows Point Work Files RICO Claim.” It is reported that the civil lawsuit, “filed by Clean Venture Inc. on Nov. 13, claims

that at least some of the defendants took up to \$750,000 that was owed to the New Jersey ship breaking company. Clean Venture previously sued North American Ship Recycling, or NASR, for the money it was owed, winning a \$750,000 judgment from a US District court in September. NASR, where Barletta [Vincent] served as vice-president, has since disappeared from its Sparrows Point site, before the judgment could be collected. The company left behind two Maritime Administration ships, the Sphinx and the Hoist, it was supposed to dismantle...The Maritime Administration is investigating the situation and arranging for the removal of the abandoned ships.”

- *The Capital (Annapolis, MD)*- November 12, 2007, “‘Ghost Fleet’ Ships in Limbo after MD Salvage Yard Closes” It is reported that “In August, North American Ship Recycling Inc., near Baltimore won federal contracts worth \$2.1 million to dispose of five ships, including the World War II vintage Sphinx. While the yard opened with fanfare in 2004, it shut down sometime last month without notice. In a statement, the agency [US Maritime Administration] said the contracts ‘have officially been terminated’ but did not say if any money had been paid to the yard owners Vincent and Timothy Barletta, businessmen from Boston. Since the yard’s closing, federal officials have made contact with the owners and managers, who explained that their ‘financial condition’ was the reason for shutting down.”
- *The Baltimore Sun*- November 2, 2007, “Sparrows Point Shipbreaker Gone; Recycling Firm Leaves 2 Vessels, Legal Tangle.” It is reported that NASR, has disappeared, leaving behind in Maryland waters two rotting and possibly toxic government ships, according to federal officials...Now, according to court documents, NARS is in breach of its contract with the Maritime Administration, which is under congressional orders to get rid of dozens of obsolete vessels from the James River Reserve Fleet...’we have recently been informed that NASR has abandoned the [motor vessel] Sphinx and sold, in violation of the contract, and the law, the [motor vessel] Hoist,’ states a filing made this week in Baltimore US District Court by the Maritime Administration.” The article indicates that the ship was wrongfully sold to an ‘entity closely related to NASR’, described as “Sparrows Point Metal Recycling Corp.”...According to the article, no such company shows up in Maryland records, though a Sparrows Point Metal Recovery LLC was incorporated at the ship yard one day before a US District Court Judge ruled against NASR in the lawsuit with Clean Venture...’These actions by NASR jeopardize government property, interfere with the ship scraping process, and may endanger public safety.’...The shipyard was sold after an auction in 2003, and it-and affiliated operations- is owned and maintained through a confusing web of at least half dozen apparently related entities...Barletta and his brother, Timothy Barletta, are principals in a company called Whirlwind Capital LLC. It owns BWI Sparrows Point LLC, which owns-

and was created in 2004 to acquire- the shipyard. BWI Sparrows Point is still the owner, according to Barletta's deposition. Vincent Barletta is also a trustee in a Massachusetts entity called Eiger Trust, which owns NASR."

A synopsis of this litigation is set forth in Section 7 of this qualifier's report, which reflects that this matter was settled, and plaintiff submitted a letter to the defendants acknowledging that no facts were found to support its RICO claims against any of the defendants after discovery, nor did discovery reveal any conclusive evidence of any conveyances which were fraudulent or made with fraudulent intent. This letter is part of the Master File.

As noted, Vincent Barletta is the President of Barletta Heavy Division Inc., which has received derogatory media coverage concerning its business practices:

- *The Daily News of Newburyport (Massachusetts)*- August 21, 2012- "A Canton based contractor which worked on the recently completed 1st Lt. Derek S. Hines Bridge project faces as much as \$91,000 in fines after the US Department of Labor's Occupational Safety and Health Administration accused it of willful and serious safety violations that resulted in the injury of a worker back in March. According to OSHA, Barletta Heavy Division Inc.'s failure to take preventative steps resulted in a worker being injured when a crane struck an overhead power line on March 31...Since 2007, Barletta has been the subject of eight OSHA inspections and has been fined a total of \$33,500 regarding three separate projects.
- *The Patriot Ledger (Quincy, MA)*- February 23, 2011- "OSHA proposed a \$52,500 fine for Barletta Heavy Division Inc. for alleged safety violations at an aqueduct project in Weston. OSHA's proposed fines reflect repeated violations..."
- *The Patriot Ledger (Quincy, MA)*- February 19, 2009- "The agency redeveloping the former South Weymouth Naval Air Station has named a preferred bidder for a contract to build a parkway through the property...Barletta Heavy Division...which has done work for several public agencies including the Massachusetts Water Resources Authority, has been in the news recently over fines and a lawsuit. OSHA announced in January that the company faces \$110,000 in fines for allegedly not providing enough protection for workers removing lead paint at a South Boston job site."
- *Occupational Hazards*, April 1, 2008- "OSHA \$100,000 Club of Safety Citations." It is reported that Barletta Heavy Division Inc. and Erie Interstate Contractors face \$200,000 for exposing employees to falls and possible drowning at a pier worksite in Boston.

- *The Patriot Ledger*, January 18, 2008- “Barletta Heavy Division Inc. of Canton faces \$110,000 in fines for allegedly not providing enough protection for workers removing lead paint at a South Boston pier to protect them from falling into Boston Harbor.”

15. Conclusion

This investigation has identified material issues that may impact upon Vincent Barletta’s suitability for licensure: (1) the manner in which his application to the Commission was prepared and submitted, resulting in submission of false statements to the Commission (including answering in the negative whether his driver’s license had ever been suspended, when it had been suspended on five occasions and answering that he had graduated from Northeastern University, when in fact he had not); (2) continued political contributions after he became an applicant for licensure; and (3) the circumstances undergirding an October 30, 2007, letter from the United States Maritime Administration to a federal court alleging that a related business entity, North American Ship Recycling, had taken action that may endanger public safety. We also bring to the Commission’s attention Ronald J. Gillis, Jr.’s sworn admission that he signed and notarized Vincent F. Barletta’s signature on the Massachusetts Supplement application Waiver of Liability, at Barletta’s direction. We do point out that Barletta denied this under oath, stating that his signature was genuine.

G. Timothy J. Barletta

[REDACTED]

[REDACTED] Therefore, in accordance with M.G.L. c. 23K, §§ 12, 16, Timothy Barletta is automatically disqualified.

H. Ronald J. Gillis Jr.

Ronald J. Gillis Jr. is a holder of a [REDACTED] interest in Rolling Hills Development LLC.

1. Qualifier's Name and Verified Information

Research of available online public records and documents provided by Gillis has verified the following information:

Name: Ronald J. Gillis Jr.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

2. Employment History

Research has confirmed that Gillis has been self-employed as a Certified Public Accountant in Massachusetts since July of 1988 and holds various positions and offices with several companies detailed herein. No previous employment was noted nor did research disclose any for Gillis.

3. Criminal Record

[REDACTED]
[REDACTED]
[REDACTED]



4. Education

Gillis disclosed that he attended Salem State College, where he received a Bachelor of Science degree in May 1979. Research with the Registrar's Office at this institution has confirmed that Gillis was awarded a Bachelor of Science degree from Salem State College on June 2, 1979. Gillis also indicated that he attended Bentley College where he received a Master of Business Administration degree in May 1986. Research has confirmed that Gillis was awarded a Master of Business Administration degree on May 17, 1986.

5. Professional and Gaming Licenses

Gillis disclosed that he is a CPA licensed by the Massachusetts Board of Public Accountancy. Research has verified that Gillis is a licensed CPA in Massachusetts, license No. 9497 and this license will expire on June 30, 2014. No derogatory information or sanctions are noted for this license.

Gillis also indicated on his PHDF that he holds a Notary Public license from the Commonwealth of Massachusetts and advises that this license is current. Contact with the Notary Public Department of the Governor's Office has confirmed that Gillis holds a Notary Public license in good standing which will expire on February 11, 2016. (Note: see Section 12, Significant Investigative Issues, for additional information on this notary public license.)

Gillis has disclosed that he has never been the applicant for a gaming license in any jurisdiction. Our research, as set forth in the scope and methodology of this report, has not revealed information to the contrary.

6. Directorships and Stockholdings

Research of available Dun & Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports and assorted company records has revealed the following current business affiliations for Gillis which were confirmed during an interview on July 17, 2013:

- Barletta Engineering Corporation
- Ronald J. Gillis
- Manufacturing Support Services Inc. (President and owner)
- First Fidelity Corporation
- Aphalt Corporation (active)
- BBG Agency LLC
- Puma Corporation
- Barletta Heavy Division, Inc.
- Thornton Asia Holding LLC
- SPS Holdings LLC
- Barletta Industrial Division LLC
- The Barletta Co. Inc.
- Wraith Automobile Racing Inc.
- 13 Bridge Street Corporation
- Pequit View Condominiums LLC
- Douglas Environmental Assoc. Inc.

Gillis has disclosed that he owns a minimum of 5 percent in the following business entities.

- Whirlwind Capital LLC 
- Rolling Hills Development LLC 
- SPS Holdings LLC 
- Manufacturers Support Services Inc. 
- First Fidelity Corporation 
- One Phillips Development Trust 

Research and an interview with Gillis has verified this information.

In addition, a listing of 27 trust-related affiliations were listed by Gillis on his PHDF and all were reviewed during an interview regarding their current status. All but one of the disclosed Trust affiliations remains current at this time. The majority of these trusts are identified as Barletta family along with various business-related trusts.

Gillis's business interests are discussed in greater detail in the Financial Suitability Evaluation section of this report.

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States has revealed the following records personally naming Gillis.

Norfolk County, MA, Superior Court

Case Number: NOCV2004-01805

Date Filed: October 24, 2004,

Case Type: Civil/Complex

Case Name: Brown v Road Solutions Inc. et al

Plaintiff: Paul G. Brown

Defendant: Ronald J. Gillis Jr., Road Solutions Inc. et al

Date of Disposition: January 18, 2007

This case was disclosed by Gillis on his PHDF and he explained in an interview that the case involved a business labor-related claim for wages dispute, and was settled with the plaintiff being paid \$18,000.

Additionally, the following case was found involving Gillis personally as a plaintiff which was not disclosed on his PHDF.

Suffolk County, MA, Superior Court

Case Number: SUCV2008-00030

Date Filed: January 3, 2008

Case Type: Torts/Negligence; Malpractice

Case Name: Gillis Jr., et al, vs. Woodbrier Associates Inc.

Plaintiff: Ronald Gillis Jr., Ronald Gillis Jr. Trustee, Woodbrier Associates, Inc.

Defendant: Richard P. DeCoste, Woodbrier Associates, Barletta Inc.

Disposition Date: May 30, 2008

Gillis advised that this case involved him as the trustee of the 4440 Washington Development Trust, which was suing the defendant, Richard P. DeCoste, an architect for Woodbrier Associates, an architectural firm. The suit involved design and negligent oversight issues and litigation is still pending.

Three additional cases were found during research which were not disclosed by Gillis in which he is named as a plaintiff Trustee. These cases were reviewed with the applicant and found not to be material.

Numerous business-related lawsuits were disclosed by Gillis in which he was not named personally but involve his business entities, associations, or Trusts. This litigation was reviewed with Gillis and nothing of a personal nature was found.

Research also revealed three UCC filings in Massachusetts naming Gillis as a debtor and one UCC filing naming him as a secured party. Gillis explained that UCC filings may exist as they pertain to either his normal financial dealings or acting in his capacity as a trustee, and he is unaware of any liens or actions against him of a derogatory nature.

8. Bankruptcy

[REDACTED]

9. Property Ownership

[REDACTED]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

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[Redacted]

10. Financial Suitability Evaluation

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Income Analysis

[Redacted]

[Redacted]

[REDACTED]

Net Worth Analysis

[REDACTED]

Assets

[REDACTED]

[REDACTED]

Conclusion as to Financial Suitability

We have not uncovered any information that Gillis does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

This investigation has confirmed that Gillis has not made any prohibitive political contributions in Massachusetts that violate M.G.L. c. 23K, § 46 or 205 CMR 108.00.

12. Significant Investigative Issues

This investigation has revealed that Gillis had substantially assisted in the preparation of both the multi-jurisdictional as well as the Massachusetts Supplemental Personal History Disclosure Forms for Rolling Hills Development LLC applicants Vincent F. Barletta and Timothy J. Barletta, as well as initialing and dating each page for them. In the case of the

application for Vincent F. Barletta, significant misstatements of facts were made regarding driver's license suspensions and educational criteria.

During interviews with Vincent F. Barletta on both June 14 and July 24, 2013, it was determined that certain questions answered on his applications were, in fact, not true, and that he did not personally prepare, initial or review the applications. Gillis admitted he mistakenly made misstatements regarding Vincent F. Barletta's driver's license suspensions and education criteria, and that he was not directed by anyone to make any misstatements of fact.

We discovered that Gillis had signed qualifier Vincent F. Barletta's name on the Waiver of Liability Release Form, which is an attachment to the Massachusetts Supplement of Vincent F. Barletta. This form was then notarized by Gillis, who as a notary attested that the signature was Vincent F. Barletta's. Gillis explained his actions as regrettable and stated that at the time he was under great pressure to submit the completed applications by a particular date and that Vincent F. Barletta was out of state at the time.

Immediately below are excerpts from the sworn interview conducted by the Investigators with Gillis (See pages 11-15 of Gillis interview) (Exhibit 37).

[QUESTION]: Just one for clarification on the waiver of liability for Vincent Barletta that you had spoken about earlier and that signature.

[GILLIS]: THE WITNESS: I believe I talked to Vin. He missed this form, so, I signed that.

[QUESTION]: This was a remaining form that needed to be signed and he wasn't available and he authorized you to sign the form for him?

[GILLIS]: Yes.

[QUESTION]: Just so the record is clear, we are talking about page 14 entitled waiver of liability dated 12/21/2012?

[GILLIS]: Yes.

[QUESTION]: There is actually a signature of a notary on that?

[GILLIS]: Correct.

[QUESTION]: And the notary is Ronald J. Gills, Jr.?

[GILLIS]: Yes.

[QUESTION]: So, is it your statement that you signed as notary as well as the signature of the applicant?

[GILLIS]: Yes.

Investigators have reviewed all application forms from the Rolling Hills Development qualifiers that require signatures, and all others appear genuine. Gillis states that he had signed for Vincent F. Barletta only on the one Waiver of Liability Attachment Form.

Gillis's notarization of his own signature as that of Vincent F. Barletta's on the Massachusetts Supplement Waiver of Liability may reflect on his good character, honesty and integrity. Such actions implicate Revised Executive Order No. 455 (04-04) of the Commonwealth of Massachusetts concerning Standards Of Conduct For Notaries Public (Exhibit 38). In particular, the Executive Order delineates the following Prohibited Acts in Section 6(a)(1):

Section 6: Prohibited Acts.

(a) A notary public shall not perform a notarial act if:

(1) the principal is not in the notary's presence at the time of notarization;

Further, the Executive Order contains the following definition in Section 2:

Official misconduct" shall mean:(a) a notary's performance of any act prohibited, or failure to perform any act mandated, by this executive order, or by any other law, in connection with a notarial act; or (b) a notary's performance of an official act in a manner found to be grossly negligent or against the public interest.

The Waiver of Liability at issue is attached hereto:

WAIVER OF LIABILITY

I hereby waive the Commonwealth of Massachusetts and its instrumentalities and agents, including but not limited to the Massachusetts Gaming Commission, the Investigations and Enforcement Bureau and their agents, representatives and employees, both individually and collectively, from any and all liability for damages of whatever kind, resulting at any time from any disclosure and publication of information acquired during the application or investigation process.

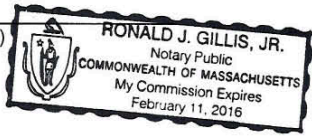
DATED: 12/21/12

V + JS
(Signature of Applicant)

VINCENT F BARILETTA
TYPE, STAMP OR PRINT NAME

On this 21 day of Dec 2012, before me, the undersigned notary public, personally appeared Vincent F. Barilletta (name of document signer), proved to me through satisfactory evidence of identification, which was License, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that (he)(she) signed it voluntarily for its stated purpose.

[Signature]
(Signature of Notary)



13. References

[REDACTED]

[REDACTED]

[REDACTED]

The above-named references were contacted and queried regarding the character and integrity of Gillis. All three references indicated that Gillis was of the highest character and integrity. [REDACTED]

[REDACTED]

No derogatory information was developed which would preclude Gillis from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did not reveal any derogatory or adverse items relative to Gillis.

15. Conclusion

Our probity review has identified material issues that may impact upon Gillis's suitability for licensure: (1) the manner in which Gillis prepared co-applicant Vincent F. Barletta's application to the Commission, including (a) signing Vincent F. Barletta's name on the Massachusetts Supplement Waiver of Liability and then attesting to the genuineness of that forged signature by affixing his notary seal on the document; and (b) answering questions on the application on behalf of Vincent F. Barletta with a reckless disregard as to the truthfulness of the answers, thus resulting in the submission of material false statements to the Commission; and (2) continued political contributions after he became an applicant for licensure. Gillis's notarization of his own signature as that of Vincent F. Barletta's on the Massachusetts Supplement Waiver of Liability may violate Revised Executive Order No. 455 (04-04) of the Commonwealth of Massachusetts concerning Standards Of Conduct For Notaries Public.

I. John G. Bulman

The investigation of John G. Bulman, general counsel to the Barletta companies, did not reveal any derogatory information which would impact on his suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier's Name and Verified Information

Research of available online public records and documents provided by Bulman has verified the following information:

Name: John George Bulman

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Employment History

Research has confirmed that Bulman is a self-employed lawyer who holds various offices and positions and is general counsel to the Barletta companies. He notes that he has been self-employed in this capacity since 1994. Bulman was previously employed at the following listed companies.

- Datatrend Inc. 11/1996-11/1997
- The Barletta Company Inc. 2/1998 – 11/1996
- Bulman, Connolly & Tierney 3/1987-1994

Employment was confirmed through public records sources, documents provided by the qualifier, tax returns, and other sources.

3. Criminal Record

[REDACTED]

4. Education

Bulman disclosed that he attended Bentley College where he received a Bachelor of Science degree in May 1981. Research has verified that Bulman received a Bachelor of Science degree in accounting from Bentley College on May 16, 1981. Bulman also disclosed that he attended Suffolk University Law School where he received a Juris Doctor degree in May 1986. Research has verified that Bulman received a Juris Doctor degree from Suffolk University School of Law on June 8, 1986. Additionally, Bulman had indicated that he attended Massasoit Community College from September 1977 to May 1978 without earning a degree. Research confirmed that Bulman did attend this community college during the approximate timeframe indicated and did not graduate.

5. Professional and Gaming Licenses

Bulman disclosed that he is a licensed attorney as well as a previously licensed CPA and a current real estate broker in Massachusetts.

Consultation with the Massachusetts Office of Consumer Affairs & Business Regulation has confirmed John G. Bulman of Scituate, MA, was licensed as a Certified Public Accountant with the Board of Public Accountancy, license No. 8381. This license was issued on July 1, 1984, and expired on June 30 1996. No disciplinary actions have been issued against this license, dating from 1993 and on.

Consultation with the Massachusetts Office of Consumer Affairs & Business Regulation has confirmed Bulman has a Real Estate Sales & Brokers license with the Board of Real Estate Sales & Brokers license, No.137887. This license was issued on November 1, 1990, and was set to expire on July 16, 2013. During an interview with Bulman it was learned that the real estate license was renewed and the current expiration date is July 16, 2015. No disciplinary actions have been issued against this license, dating from 1993.

Consultation with the Massachusetts Board of Bar Overseers of the Supreme Judicial Court has confirmed that Bulman was admitted to the bar on March 18, 1987, license number 549173. This license is currently active and there is no record of public discipline against this attorney.

Bulman has disclosed that he has never been the applicant for a gaming license in any jurisdiction. Our research, as set forth in the scope and methodology of this report, has not revealed information to the contrary.

6. Directorships and Stockholdings

Research of available Dun & Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports and assorted company records has revealed the following business affiliations for Bulman:BBG Realty LLC (MA)

- Bulman Marine
- Colonnade Realty Inc. (MA)
- Fat Boy Investments LLC
- Luke Vincent Powers Foundation Inc. (MA)
- Old Forge Investments LLC (MA)
- Pequit View Condominiums LL (MA)
- Rolling Hills Development LL (MA)
- Royal Equipment Leasing LLC (MA)
- SPS Holdings LLC (MA)
- VDB Real Properties Inc. (MA) (Became Naushon Realty Trust)
- Whirlwind Capital LLC (Real estate arm of the Barletta companies) (MA)
- DJB Real Properties Inc. (MA)
- Barletta Engineering Corporation (Research has revealed that the company consists of two construction entities, Barletta Engineering Corporation and Barletta Heavy Division Inc.
- Sparrows Point Shipyard (Vice President)
- Whipple Management Company LLC (Manager)

This is consistent with the information disclosed by Bulman in his PHDF and he revealed in an interview that all of the above are current. It should also be noted that Bulman holds the position of trustee in various Barletta family trusts as well as numerous other offices and positions which are noted in his application. These positions, as prepared in an expanded submission by Bulman, were reviewed and found to be current.

Bulman has disclosed that he owns a minimum of 5 percent in the following business entities, which research has verified:

- Whirlwind Capital LLC [REDACTED]
- Rolling Hills Development LLC [REDACTED]
- SPS Holdings LLC [REDACTED]
- ONE Phillips Development Trust [REDACTED]
- Old Forge Investments LLC [REDACTED]
- Colonnade Realty Inc. [REDACTED]
- North Groton Road Development Trust [REDACTED]

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States has revealed the following records personally naming Bulman:

Haverill Division District Court Essex Co., MA

Debtor 1: Bryen, Shane
 Debtor 2: Bulman, John
 Creditor: David Cherubin
 Filed: April 4, 2008
 Filing Number: 200838SC000124
 Type: Small Claims Judgment
 Amount: \$1,000
 Release Date: April 30, 2008

Investigation revealed that this small claims complaint involved a dispute of a \$1,000 deposit in which the plaintiff was a proposed buyer of a condominium unit owned by 4040 Washington Development Trust (Seller). Bulman was the attorney for the seller. The buyer made a \$1,000 deposit for a unit and then failed to enter into the required form of purchase/sale agreement. The seller sought to retain the deposit and the plaintiff filed a claim for the return of the deposit. Judgment was made in favor of the plaintiff. This matter was disclosed by Bulman in his PHDF and was discussed and confirmed during an interview.

John G. Bulman is also named as a defendant in the Clean Venture Inc. v. North American Ship Recycling Inc., litigation, all as detailed in the report on Vincent F. Barletta.

The following bankruptcy case was disclosed by Bulman on his PHDF in a matter in which he is personally named:

US District Bankruptcy Court, District of Massachusetts (Boston)

Bankruptcy Petition Number: 98-13516
 Type: Chapter 7, Voluntary, Asset
 Debtor: Data Trend Inc.
 Date Filed: April 1, 1998

Terminated:

July 23, 2003

During an interview Bulman advised that this was a case involving unpaid wages and Breach of Contract of Employment by employer, and that he was named in this case as a creditor, working at Data Trend as in-house counsel.

Numerous lawsuits and arbitrations involving business ventures and corporations and trusts with which he is, or has been associated with, were disclosed by Bulman on his PHDF. These were reviewed during an interview and nothing was found that was considered pertinent as they relate to this application.

It was noted that the John G. Bulman Trust is named as the debtor on three Massachusetts UCC filings filed in 2002, 2009, and 2012, and Bulman himself is named as a debtor on one Massachusetts UCC filing from 1998. Bulman advised that these UCC filings exist as they pertain to his normal financial dealings, and he is unaware of any specific liens or judgments filed against him of a derogatory nature.

8. Bankruptcy

[REDACTED]

9. Property Ownership

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

10. Financial Suitability Evaluation

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Income Analysis

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

Net Worth Analysis

[REDACTED]

Assets

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[REDACTED]

Conclusion as to Financial Suitability

We have not uncovered any information that Bulman does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

This investigation has confirmed that Bulman has made political contributions in Massachusetts subsequent to the filing date of this application. Bulman is a qualifier for this application by virtue of his 15 percent interest in Rolling Hills Development LLC. Rolling Hills Development LLC is a beneficiary of the Rolling Hills Estates Realty Trust, which negotiated

with MGM Resorts International for a release from the Option Agreement for purchase of the Brimfield site whereby Rolling Hills Estates Realty Trust will receive will receive a perpetual income stream from gaming revenue generated by the Springfield facility should the Applicant be successful in receiving a license. See Exhibit 39 for a list of Bulman’s political contributions in Massachusetts subsequent to the date of the filing of this application.

12. Significant Investigative Issues

None.

13. References

[REDACTED]
[REDACTED]
[REDACTED]

The above-named references were contacted and queried regarding the character and integrity of Bulman. All three references indicated that Bulman was of the highest character and integrity. [REDACTED]

[REDACTED] No derogatory information was developed which would preclude Bulman from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources has revealed derogatory or adverse items relative to Bulman in numerous press releases from 2007 that mention Bulman’s involvement with the entity North American Ship Recycling as a defendant in a civil suit filed by Clean Venture Inc., a northern New Jersey toxic cleanup company. The lawsuit, alleging wire fraud, unjust enrichment, civil conspiracy, aiding and abetting and other charges was filed under the Federal Racketeer Influenced and Corrupt Organizations Act against several entities and individuals including Bulman because of his role as counsel to a named Barletta entity, and individuals and business interests connected to the Barlettas. This litigation is set forth in detail in the suitability report on Vincent F. Barletta. As previously mentioned in this report, this litigation was discussed with Bulman and he subsequently provided a synopsis of this action, which is included in the civil litigation section of the report. A letter was also submitted by

Bulman from the plaintiff, Clean Venture, which was provided to the defendants in this case in which the plaintiff acknowledges that no facts to support its RICO claims against any of the defendants after discovery, nor did discovery reveal any conclusive evidence of any conveyances which were fraudulent or made with fraudulent intent.

The following articles are informative only, and concern Bulman's role as Chairman of the Town of Scituate Community Preservation Committee from July 2007 to June 2012, per his disclosure in his PHDF.

- *The Patriot Ledger (Quincy, MA)*- May 27, 2009, "Many community preservation projects were illegal, he says; official calls allegation 'reckless'; Resident accuses officials of misuse of money." Scituate resident, Norma Paley, has challenged the town's use of community preservation funds, accusing officials of misspending more than \$2 million on projects since 2003. He told selectmen on Tuesday that a 2008 Superior Court decision against Newton rendered many of Scituate's Community Preservation Act projects illegal. But John Bulman, chairman of the town's community preservation committee, responded with a letter that called Paley's accusations "reckless" and said they were based on a basic misunderstanding of the law and the Superior Court ruling. The Community Preservation Act, which the town adopted in 2002, allows towns to impose a property-tax surcharge of up to 3 percent to generate revenue for preservation of open space and historic resources and the creation of affordable housing. It also can be used to pay for recreation projects, but only to acquire land for recreation, not to maintain or improve existing fields. According to Paley, the court ruling said money can be used to put land to recreational use only is that land was purchased with CPA money.....two projects approved, a ballfield and pathway, violate the decision because they are improvements to land not bought with Community Preservation Act money. Bulman rejected Paley's assertion that any current projects should be halted, and that the state Department of Revenue and Supreme Judicial Court have upheld projects such as the one Paley is calling into question.
- *WickedLocal.com (Scituate)*- June 3, 2009, "Town Counsel backs CPA chair." Scituate's town counsel [Jim Toomey] has agreed with community preservation committee Chairman John Bulman's understanding that the town has not misused Community Preservation Act funds to build recreational spaces.....in response, resident Normal Paley, who accused the town of illegally using the CPA funds to create recreations uses on properties not originally purchased with CPA funds, said he might take the matter to court.

15. Conclusion

Bulman has made one political contribution since he became an applicant for licensure. Based on our investigation there were no known facts that would necessarily disqualify Bulman based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

XII. Blue Tarp reDevelopment Natural Person Qualifier

A. Paul C. Picknelly

The investigation of Paul C. Picknelly, holder of a [REDACTED] equity interest in and a non-voting Member of Blue Tarp reDevelopment LLC, did not reveal any derogatory information which would impact on his suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier's Name and Verified Information

Research of available online public records, documents provided by Picknelly, and our investigation has verified the following information:

Name: Paul C. Picknelly

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Employment History

Database research and our investigation confirmed that Picknelly is currently employed as the President of Monarch Enterprises. Picknelly indicated in his PHDF that he has been employed at the following companies during the timeframes noted. This was confirmed through public records sources, an interview with the applicant on June 10, 2013, and review of the applicant's financial records and tax returns.

- Falcon Management Corp January 2005 to present
- Falcon Hotel Corp April 1994 to December 2004

3. Criminal Record

[REDACTED]



4. Education

Picknelly disclosed that he attended Holyoke Community College from 1978 to 1979 where he took Business Administration courses and did not receive a degree. Consultation with the educational institution confirmed that Picknelly attended Holyoke Community College from September 1, 1978 to December 1, 1978, was enrolled in business studies, and did not obtain a degree.

5. Professional and Gaming Licenses

Picknelly disclosed that he was a licensed real estate salesperson in Massachusetts and the license expired in 1998. Research has verified that Picknelly was licensed with the Massachusetts Board of Registration of Real Estate Brokers on November 4, 1994, license No. 9005183. The license is currently expired with an expiration date of October 12, 2000. He also disclosed an active Sales Agent License with the Massachusetts State Lottery Commission. No derogatory information or sanctions are noted for these licenses.

Picknelly has disclosed that he has never been the applicant for a gaming license in any jurisdiction. Our research, as set forth in the Scope and Methodology section of this report, has not revealed information to the contrary.

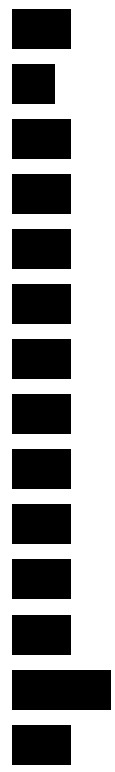
6. Directorships and Stockholdings

Research of available Dun & Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports and assorted company records has revealed numerous business affiliations for Picknelly where he is the Manager, Director or President/Director/Treasurer. He is also the Trustee of numerous family trusts. This is consistent with the information disclosed by Picknelly in his PHDF and was confirmed during his interview.

Picknelly has disclosed that he owns a minimum of 5 percent in the following business entities:

- Peter Pan Bus Lines 

- Falcon Management Co.
- Falcon Hotel Corp.
- Gretna Green Development Corp.
- 300 Bridge Street LLC
- PSC Development LLC
- MAP Development LLC
- Monarch Enterprises LLC
- Harrison Place Associates LLC
- Westfield Court Associates LLC
- Columbus Hotel Management
- Columbus Hotels II LLC
- Columbus Hotels III LLC
- River Road Development LLC
- 180 Redevelopment LLC



Research and our investigation have verified this information. Picknelly's business interests are discussed in greater detail in the Financial Suitability section of this report.

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States has revealed the following records personally naming Picknelly. In addition, he was named in numerous complaints by virtue of his position with his numerous business affiliations.

Circuit Court, Montgomery County, Maryland

Case Number: 317314V
 Plaintiff: Robert D. Greenberg, PA
 Defendant: Paul C. Picknelly
 Date Filed: 07/21/2009
 Nature: Breach of Contracts
 Date of Disposition: 10/20/2009
 Disposition: Dismissal without Prejudice

During his interview, Picknelly indicated that this was a lawsuit he filed against the Architect of Record for the Hilton Grand Hotel project and it involved a dispute over fees.

Hampden County, Superior Court, MA

Case Number: HDCV2002-01029

Case Name: *N A Inc., et al v. Picknelly, et al.*

Filed: 10/01/2002

Case Type: Declaratory Judgment

Plaintiff: N A Inc.; Robert Allen; Edward Allen

Defendant: Paul C. Picknelly; Brian L. David; Dana Dray McCann a/k/a D Daques Sonner, a/k/a David F Combs, Individually and d/b/a International Land & Livestock Ltd.

Plaintiff/Cross Claim: Steven L. Winniman d/b/a Winniman & Winniman

Defendant/Cross Claim: Sara Rossman

Plaintiff/3rd Party: Sara Rossman

Defendant/3rd Party: George David

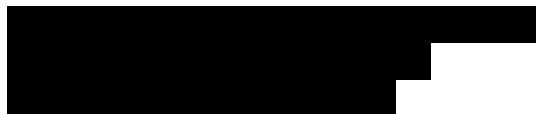
Status: Disposed by Settlement

Disposition Date: 03/05/2007

This suit was not disclosed by Picknelly in his PHDF. Research associated with the case revealed that Dana McCann (a/k/a Danny Combs and D. Dacques Sonner) acting as International Land & Livestock Ltd. (“ILL”) fraudulently assigned the mortgage note for the Warwick Street property to both Brain L. David, in May 2000, and Picknelly in June 2000, causing two parties to be making competing claims for payment. The suit was to stop David and Picknelly from foreclosing on the property. A representative of Steven L. Winniman’s Office processed the original paperwork involving the activities of ILL. Details of the events of Dana McCann (aka Danny Combs and D. Dacques Sonner) reveal that he committed mail fraud, wire fraud, and engaged in monetary transactions in criminally derived funds. Paul Picknelly is named within this document as assignee of a mortgage already assigned by McCann to Brian David for the purchase of the Warwick Street property in Springfield owned by Robert and Edward Allen, NA Inc.

The court ultimately ruled the mortgage held by Picknelly was invalid and he could not obtain equitable relief as planned from NA Inc. It also ruled the assignment by ILL to Picknelly was a willful, malicious and intentional fraud. McCann was ultimately convicted of five counts in federal court including one involving the Picknelly transaction.

During his interview, Picknelly explained the course of events surrounding the Warwick Street property and indicated that McCann represented to others involved in the transaction and afterward that he was acting on Picknelly’s behalf and working for him. Picknelly indicated McCann never worked for him and would never be representing him in any capacity.



[Redacted text block]

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[Redacted text block]

[Redacted]

8. Bankruptcy

[Redacted]

[Redacted]

9. Property Ownership

[Redacted]

[Redacted]

10. Financial Suitability Evaluation

[REDACTED]

Income Analysis

[REDACTED]

Net Worth Analysis

[REDACTED]

Assets

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Liabilities

[REDACTED]

[REDACTED]

Conclusion as to Financial Suitability

We have not uncovered any information that Picknelly does not possess the financial integrity and responsibility as it relates to financial stability.

We do comment that Picknelly’s finances are complex, and a substantial amount of time was devoted to sorting through information provided by Picknelly’s team of accountants. Generally, we found that Picknelly’s financial team did not provide documentation with the focused detail that is required of an investigation of this scope and magnitude. For example, we were first told that basic accounting records such as amounts contributed by the original Blue Tarp members did not exist; however, they were eventually furnished after numerous discussions and official document requests. It was a concern that his team apparently did not understand what is entailed in a gaming license probity investigation.

After numerous discussions with Picknelly and his team, we garnered the complete picture and were provided with numbers that made the transaction with MGM Resorts

International complete from an accounting standpoint. Since this was not an audit, the numbers provided to us were not balanced with entries in Picknelly's accounting records, but review of the accounting summaries analyzed with the bank statements and other documents provided substantiate that his records and explanations are reasonable.

11. Political Contributions

This investigation has confirmed that Picknelly has not made any prohibitive political contributions in Massachusetts that violate M.G.L. c. 23K, § 46 or 205 CMR 108.00.

12. Significant Investigative Issues

None.

13. References

[REDACTED]

The above-named references were contacted and queried regarding the character and integrity of Picknelly. All three references indicated that Picknelly was of the highest character and integrity. [REDACTED]

[REDACTED] No derogatory information was developed which would preclude Picknelly from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did not reveal any derogatory or adverse items relative to Picknelly. He is mentioned numerous times on the Internet, however no adverse information was found regarding this individual.

15. Conclusion

Based on our investigation there were no known facts that would disqualify Paul C. Picknelly based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

**INVESTIGATIVE REPORT
FOR THE
MASSACHUSETTS GAMING
COMMISSION**

APPLICANT:

**Blue Tarp reDevelopment LLC
3950 Las Vegas Boulevard South
Las Vegas, NV 89119**

**Re: Dubai World, Related Entities
and Natural Person Qualifiers**

November 27, 2013

Category 1 Gaming License

Executive Summary

Introduction

Blue Tarp reDevelopment LLC (“Blue Tarp”) has filed an application to the Massachusetts Gaming Commission (“MGC” or “Commission”) for a Category 1 gaming license. Blue Tarp proposes to build and operate a casino gaming facility in Springfield, MA, utilizing approximately 14.5 acres of land over a multi-block area. The projected cost is estimated at \$800 million.

Blue Tarp is a Massachusetts Limited Liability Company formed on February 23, 2012, and currently owned [REDACTED] by MGM Resorts International, Inc. (“MGM Resorts International”¹) and [REDACTED] by Paul C. Picknelly. Its current principal place of business is 3950 Las Vegas Boulevard South, Las Vegas, NV. MGM Resorts International is publicly held.

Dubai World, a Dubai, United Arab Emirates (“UAE”) government-decree entity, beneficially owns approximately 5.3 percent of the common stock of MGM Resorts International through Infinity World Holding Limited; Infinity World (Cayman) Holding; Infinity World (Cayman) LP; Infinity World Cayman Investments Corporation; and Infinity World Investments LLC, all directly or indirectly owned subsidiaries of Dubai World. Dubai World occupies a seat on the MGM Resorts International Board of Directors. In addition, through ownership of other entities, Dubai World is an equal joint venture partner with MGM Resorts International in the ownership and development of the CityCenter project in Las Vegas, NV. Dubai World is subject to licensure due to its 5.3 percent beneficial interest in MGM Resorts International stock. MGM Resorts International possesses extensive gaming business experience and is the intended operator of the proposed Springfield casino project.

In its entirety, the Blue Tarp consists of 13 entity qualifiers and 36 individual qualifiers. This Report is a segment of the overall suitability Report on Blue Tarp, and

¹ On June 15, 2010, MGM Mirage changed its name to MGM Resorts International, the latest of several name changes in its history. To avoid confusion, the current corporate name is used throughout this Report, even when referring to events prior to June 15, 2010.

concerns only Dubai World, its five qualifying entities and six natural person qualifiers. This Report is attached and incorporated into the overall suitability Report on Blue Tarp, also dated November 27, 2013.

The five entity qualifiers for the Dubai World segment of the Blue Tarp application are:

- Infinity World Holding Limited
- Infinity World (Cayman) Holding
- Infinity World (Cayman) LP
- Infinity World Cayman Investments Corporation
- Infinity World Investments LLC

The six individual qualifiers for the Dubai World segment of the Blue Tarp application are:

- Andrew J. Watson (Managing Director of Dubai World)
- Junaid M. Rahimullah (Chief Financial Officer of Dubai World)
- Hamad M. Buamim (Infinity World Director)
- Christopher J. O'Donnell (Infinity World Director and CEO)
- William W. Grounds (Infinity World Director and also member of the MGM Resorts International Board of Directors)
- Stephan A. DuCharme (Dubai World Compliance Committee Member)

The Commission's Investigation and Enforcement Bureau ("IEB") conducted this suitability background investigation of the Applicant and its qualifiers, including the above-listed Dubai World qualifiers, in conjunction with the Massachusetts State Police. Spectrum was retained by the Commission to assist with the initial stages of this background investigation. Hereafter, the term "Investigators" will be used for this collaborative effort.

In the course of this investigation, the Investigators requested the production of records and documents from Dubai World. Such requests for relevant information were necessary in order to conduct the requisite, thorough background review. Sworn

interviews were conducted of each of the natural person qualifiers. In all respects, the above-named qualifiers were cooperative.

The Dubai World group, beneficially owned by the Government of Dubai and consisting of approximately 1,000 companies, grew rapidly prior to the financial crisis of 2008-2009. Since that time, the Dubai World group has undergone corporate and debt restructuring, and one subsidiary entity, Dry Docks World, filed for insolvency protection while it restructured. By divesting non-profitable businesses and restructuring its debt, and with support from the Dubai Government, the group has continued to meet its debt obligations. The recently published 2012 financial results indicate that the group is profitable after adjusting for the gain on further restructuring of the group's debt.

[REDACTED]

The Investigators separately submitted the segment of the Investigative Report addressing the suitability of the eight entity and 30 natural person qualifiers associated with MGM Resorts International, Tracinda Corporation and Rolling Hills Estates Realty Trust. This segment of the suitability Report, which addresses Dubai World's qualifiers, did not reveal any significant derogatory information relating to any individual qualifiers or entity qualifiers of Dubai World. However, the Dubai World group should be monitored closely from a financial perspective in light of its corporate and debt restructuring.

² AED = dirham, the currency of the United Arab Emirates.

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I. Introduction

On or about January 13, 2013, Dubai World, along with its related qualifying entities Infinity World Holding Limited, Infinity World (Cayman) Holding, Infinity World (Cayman) LP, Infinity World Cayman Investments Corporation, and Infinity World Investments LLC, (referred to herein as “Dubai World,” the “Dubai World group” or “the Applicant”) filed an application with the Massachusetts Gaming Commission for a Category 1 Gaming License for Region B, all as qualifiers under the application of Blue Tarp reDevelopment LLC. On May 14, 2013, Blue Tarp entered into the requisite Host Community Agreement with the City of Springfield. On July 16, 2013, an election was held in which the voters in the City of Springfield voted in favor of issuance of the Category 1 license to the Applicant.

Blue Tarp proposes to build and operate a casino gaming facility utilizing approximately 14.5 acres of land over a multi-block area in Springfield, MA. Blue Tarp’s planned casino project includes a 25-story hotel containing 250 rooms and 125,000 square feet of gaming space, as well as integrated residential, retail, dining and meeting space. The projected cost is estimated at \$800 million. Should Blue Tarp be found suitable for licensure, further details regarding its proposed facility will subsequently be submitted to the Commission during Phase II of the application process.

Blue Tarp is a Massachusetts limited liability company currently owned 99 percent by MGM Resorts International Inc. and 1 percent by Paul C. Picknelly. MGM Resorts International is publicly held, and Dubai World owns approximately 5.3 percent of the common stock of MGM Resorts International through Infinity World Holding Limited, Infinity World (Cayman) Holding, Infinity World (Cayman) LP, Infinity World Cayman Investments Corporation, and Infinity World Investments LLC, all directly or indirectly owned subsidiaries of Dubai World. Because of its 5.3 percent interest, Dubai World was deemed a qualifier by the IEB. Dubai World, a Dubai, United Arab Emirates (“UAE”) government-decree entity, is not a passive investor; it occupies a seat on the MGM Resorts International Board of Directors, and in addition, through ownership of

other entities, is an equal joint venture partner with MGM Resorts International in the ownership and development of the CityCenter project in Las Vegas, NV.

This Report is a segment of the overall Investigative Report on the suitability of Blue Tarp, and concerns only Dubai World, its five qualifying entities and six natural person qualifiers, specifically:

- Infinity World Holding Limited
- Infinity World (Cayman) Holding
- Infinity World (Cayman) LP
- Infinity World Cayman Investments Corporation
- Infinity World Investments LLC
- Andrew J. Watson (Managing Director of Dubai World)
- Junaid M. Rahimullah (Chief Financial Officer of Dubai World)
- Hamad M. Buamim (Infinity World Director)
- Christopher J. O'Donnell (Infinity World Director and CEO)
- William W. Grounds (Infinity World Director and also member of the MGM Resorts International Board of Directors)
- Stephan A. DuCharme (Dubai World Compliance Committee Member)

The Investigators submitted separately the portion of the investigative Report addressing the suitability of the eight entity and 30 natural person qualifiers associated with MGM Resorts International, Tracinda Corporation and Rolling Hills Estates Realty Trust. This segment of the suitability Report, which addresses Dubai World's qualifiers, did not reveal any significant derogatory information relating to any individual qualifiers or entity qualifiers of Dubai World. However, the Dubai World group should be monitored closely from a financial perspective in light of its corporate and debt restructuring.

II. Scope and Methodology

This suitability background license investigation was conducted by the Commission's Investigations and Enforcement Bureau ("IEB") in conjunction with the Massachusetts State Police. Spectrum was retained by the Commission to assist with the initial stages of this background investigation. Dubai World and its related entities were required to complete application forms, and the six designated individuals were required to complete the Multi-Jurisdictional Personal History Disclosure Form ("PHDF"), as well as the Massachusetts Supplement. The Investigators conducted a thorough review of the application forms to determine completeness and verify accuracy of the information provided as of the application date. As part of the application process, both the various Dubai World entities and the individual license applicants were required to sign release authorizations, which authorized the Commission and Investigators access to information not necessarily in the public domain.

The investigators reviewed the documents submitted in connection with the application process and then secured additional and updated information from the Dubai World group and the individual qualifiers as needed throughout the investigation. The Investigators made a series of document and informational requests of the Applicant based upon issues that surfaced during our review. A detailed examination of the financial records of the Dubai World group was undertaken. Interviews were conducted with various officers and executives of the Dubai World group. In all respects, the Applicant and the individual qualifiers cooperated fully.

The Investigators also evaluated the regulatory record of the Dubai World group and the natural person qualifiers.

In conducting the license investigation, the Investigators evaluated the applications based upon general gaming standards typically used by gaming regulatory agencies and the specific standards set forth in the Massachusetts gaming statute. The universal standard for suitability includes an evaluation of the following criteria:

- 1) Good character, honesty and integrity
- 2) Financial stability, responsibility and integrity

3) Business experience

Notably, it is the affirmative obligation of all applicants to demonstrate their qualifications by clear and convincing evidence. In addition, the Massachusetts gaming statute requires a review of certain other specific matters, including reputation and business practices. See M.G.L. c. 23K, §§ 12(a)(1) and (3). Section 12(a)(7)(b) requires a demonstration of “responsible business practices in any jurisdiction.”

A significant aspect of the application and review process for the Applicant entailed a determination of the proper scope of licensing. The list of natural persons and entities required pursuant to Massachusetts law to submit applications and undergo background investigations to determine their suitability for participating in Massachusetts’s nascent gaming industry was determined based upon the statute’s specific terms pertaining to the individuals and entities required to be included as part of a gaming license application. This factual and legal issue was discussed at length with the Applicant. Thereafter, the IEB instructed the Applicant to ensure that all of the named entities and natural persons included therein complied with their statutory obligations.

The IEB established, consistent with the statutory terms, the following list of Dubai World named entities which are required to submit to the qualification process:

- Infinity World Holding Ltd.
- Infinity World (Cayman) Holding
- Infinity World (Cayman) LP
- Infinity World Investments LLC
- Infinity World (Cayman) Investments Corp.

The IEB established, consistent with the statutory terms, the following list of Dubai World natural person qualifiers, along with their respective positions and relationships with Dubai World:

- Andrew J. Watson (Managing Director of Dubai World)
- Junaid M. Rahimullah (Chief Financial Officer of Dubai World)
- Hamad M. Buamim (Infinity World Director)

- Christopher J. O'Donnell (Infinity World Director and CEO)
- William W. Grounds (Infinity World Director and also member of the MGM Resorts International Board of Directors)
- Stephan A. DuCharme (Dubai World Compliance Officer)

This resultant report represents an accumulation of data and information pertaining to the Applicant.

III. General Information

Dubai World, a Dubai, United Arab Emirates (“UAE”) government-owned entity, beneficially owns 5.3 percent of the common stock of MGM Resorts International. This interest is held through Dubai World’s directly or indirectly owned subsidiaries: Infinity World Holding Limited, Infinity World (Cayman) Holding, Infinity World (Cayman) LP, Infinity World Cayman Investments Corporation, and Infinity World Investments LLC. These entities are all qualifiers under the Blue Tarp application due to their beneficial ownership of MGM Resorts International stock. Through interviews of senior executives of these entities, as well as with MGM Resorts International officers, the Investigators confirmed that the Dubai World group does not intend to actively participate in the proposed MGM Springfield project.

Dubai World’s acquisition of MGM Resorts International’s stock took place in a series of transactions between October 2007 and February 2008. At that time, its equity interest reached 9.7 percent of the common stock of MGM Resorts International, but has since been diluted to the current percentage.

Dubai World’s relationship with MGM Resorts International extends beyond the aggregate \$2.16 billion investment in MGM Resorts International stock. Dubai World also separately contributed approximately [REDACTED] in cash during that time to undergird MGM Resorts International’s CityCenter project on the Las Vegas Strip, a large, private commercial development project that was experiencing effects from the economic downturn in 2008. With the cash infusion, Infinity World Development Corp. became a joint venture partner with MGM Resorts International, [REDACTED] [REDACTED] in CityCenter Holdings LLC. The partnership continues, although a March 2009 lawsuit filed by Infinity World Development Corp. against its joint venture partner MGM Resorts International alleging financial default by MGM (fully described in this report in the Significant Litigation section) reflected the uncertainty of the relationship at that time. The lawsuit was quickly settled upon a financial restructuring of the project. Infinity World Development Corp. and CityCenter Holdings LLC are not qualifiers before the Commission, as the CityCenter project is confined to Nevada, and these entities will have no involvement in the proposed MGM Springfield project.

The Investigators traveled to Dubai and explored the business operations, financials, and compliance processes during interviews of qualifiers Andrew J. Watson (Managing Director of Dubai World), Junaid M. Rahimullah (Chief Financial Officer of Dubai World), Hamad M. Buamim (Infinity World Director), and Christopher O'Donnell (Infinity World Director and CEO). Qualifiers William W. Grounds (Infinity World and MGM Resorts International Director) and Stephan DuCharme (Dubai World's sole Compliance Committee member) were interviewed in the United States. A detailed description of our findings follows.

A. Dubai World

Dubai World is a decree entity established by the government of Dubai, United Arab Emirates, on March 2, 2006. It was formed to serve as a holding company for certain investment and business enterprises. The Chairman and Board of Directors of Dubai World have been appointed by way of decree issued by the Ruler of Dubai, HH³ Mohamed bin Rashid Al Maktoum. The officers of Dubai World are Andrew J. Watson (Managing Director) and Junaid M. Rahimullah (Chief Financial Officer). Both individuals have been deemed to be qualifiers of Infinity World.

The company maintains its corporate address at Level 14 Galleries Building No. 4, Downtown Jebel Ali, Dubai. Dubai World was described to Investigators by Managing Director Watson as a "private company with government support." Investigators were advised that there is no direct governmental direction over the affairs of the company, but some Board members are also governmental officials.

There are over 1,000 companies in the Dubai World group, both operating and special purpose vehicles. The major subsidiaries of Dubai World are:

- ***Istithmar World*** – a private equity investor in the consumer, financial services, industrial and real estate sectors;⁴

³ "HH" is an abbreviation for the bestowed title of "His Highness"; "HE" is an abbreviation for the title of "His Excellency."

⁴ It should be noted that this entity was a qualifier on the Kerzner International application for a casino license in Singapore in 2005.

- **DP World** – the operator of marine terminals across six continents, including in Dubai. DP World is listed on the Nasdaq Dubai and the London Stock Exchange;
- **Economic Zones World** – the operator of the Jebel Ali free zone in Dubai; and
- **Drydocks & Maritime World** – a group of companies involved in ship repair, ship conversion and new build vessels.

Dubai World owns directly and indirectly 100 percent of the Infinity World group of companies. Infinity World Investments LLC is the entity that holds the 5.3 percent stock interest in MGM Resorts International. As mentioned above, this equity interest is not the only investment between Dubai World and MGM Resorts International: the subsidiary Infinity World Development Corp. holds a [REDACTED] ownership interest in CityCenter Holdings LLC, a joint venture with MGM Resorts International that owns and operates CityCenter. Set forth below is a listing of significant subsidiaries of Dubai World in which it maintains a direct ownership interest:

- | | | |
|--------------------------------------|---------------------|------------|
| • Infinity World Holding Limited | Membership Interest | [REDACTED] |
| • Infinity World (Cayman) LP | Membership Interest | [REDACTED] |
| • Limitless World LLC | Membership Interest | [REDACTED] |
| • Port & Free Zone World FZE | Membership Interest | [REDACTED] |
| • Istithmar World Holdings LLC | Membership Interest | [REDACTED] |
| • Dubai World Aviation Limited | Membership Interest | [REDACTED] |
| • Drydocks & Maritime World LLC | Membership Interest | [REDACTED] |
| • Nakheel World LLC | Membership Interest | [REDACTED] |
| • Dubai World Holdings Limited | Membership Interest | [REDACTED] |
| • Dubai World Capital LLC | Membership Interest | [REDACTED] |
| • Dubai World Corporate Services FZE | Membership Interest | [REDACTED] |
| • Dubai 3D LLC | Membership Interest | [REDACTED] |
| • Dubai World Group Finance Limited | Membership Interest | [REDACTED] |
| • Dubai World Finance Holding Ltd. | Membership Interest | [REDACTED] |
| • Dutech LLC | Membership Interest | [REDACTED] |

- Dubai Natural Resources World Holdings LLC Membership Interest [REDACTED]
- DW Petroleum LLC Membership Interest [REDACTED]
- Dubai World Africa Holdings Ltd. Membership Interest [REDACTED]

Pursuant to a debt and organizational restructuring between 2009 and 2011, Nakheel PJSC and its subsidiaries (a major real estate development group in Dubai whose projects included an artificial island in the Persian Gulf resembling a palm tree) was transferred to direct ownership of the Government of Dubai in August 2011. Details of the financial restructuring are set forth below in the Financial Suitability section.

On December 12, 2010, The Ruler of Dubai replaced the Dubai World board of directors with the current Dubai World board:

- HH Sheikh Ahmed bin Saeed Al Maktoum Chairman
- HE Mohamed Ibrahim Al Shaibani Director
- HE Ahmed Humaid Al Tayer Director
- HE Abdul Rahman Saleh Al Saleh Director
- HE Hamad Mubarak Buamim Director
- Saadi Abdul Rahim Hassan Al Rais Director
- Soon Young Chang Director

The Investigators confirmed that Dubai World was found suitable by gaming regulators in Nevada, Michigan and Mississippi, and no adverse regulatory actions exist in those jurisdictions. An application before gaming regulators in New Jersey was withdrawn in 2010 as part of a settlement agreement between MGM and regulators, and a re-application has been submitted and is pending in New Jersey.

Significant litigation involving Dubai World is set forth in Section 13 herein.

B. Subsidiaries

1. Infinity World Holding Limited

Infinity World Holding Limited was formed on June 5, 2007, as an intermediary holding company for Infinity World Investments LLC. Infinity World Holding Limited was created in accordance with the Offshore Companies regulations of the Jebel Ali Free Zone Authority in Dubai, UAE (Registration No. OF3379), and formed for the sole purpose of holding a 100 percent ownership interest in Infinity World (Cayman) Holding.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] Infinity World Holding Limited lists a current business address of Level 14 Galleries Building No. 4, Downtown Jebel Ali, Dubai.

The sole Directors of Infinity World Holding Limited are Hamad M. Buamim and Christopher O'Donnell (Buamim and O'Donnell are pending qualification before the Commission). O'Donnell is the sole officer and holds the titles of President, CEO and Secretary. Five former Dubai World executives were listed as previous directors/officers of Infinity World Holding Limited: Sultan bin Sulayem, Maryam Sharaf, Abdul Al Ulama, Lai Boon Yu, and Kar Tung Quek.

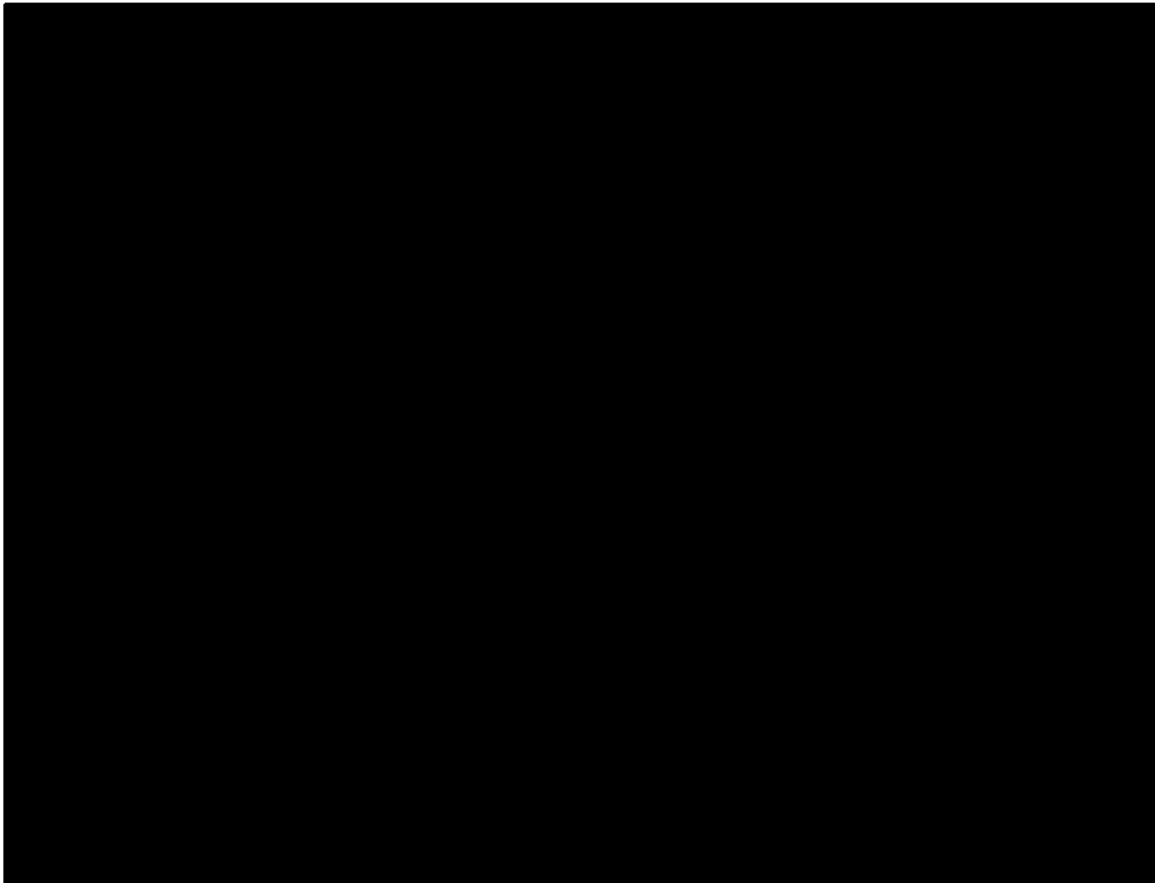
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Infinity World Holding Limited has been found suitable by gaming regulators in Nevada (November 20, 2008; file No. SD-195); Michigan (March 9, 2010; file No. MGM-10-001, renewed August 14, 2012, file No. MGM-12-003); and Mississippi (June 25, 2009, expires June 24, 2018). No adverse regulatory actions with any of those

regulators were reported. An application before gaming regulators in New Jersey was withdrawn in 2010 as part of a settlement agreement between MGM and regulators, and a re-application has been submitted and is pending in New Jersey.

Infinity World Holding Limited did not list any current or prior litigation, consistent with our research.

See the organizational chart below, as provided by the Applicant, for details of the Infinity World entities' structure:



2. Infinity World (Cayman) Holding

Infinity World (Cayman) Holding was created on August 15, 2007, in the Cayman Islands, to serve as an intermediary company of Infinity World Investments LLC, which holds stock in MGM Resorts International. The company remains registered there. The company was incorporated as “Infinity World (Cayman) Holdco” and changed its name to Infinity World (Cayman) Holding on August 16, 2007. Infinity World Cayman

Holding maintains a current business address at Level 14 Galleries Building No. 4, Downtown Jebel Ali, Dubai. The current Directors of Infinity World Cayman Holding are Hamad M. Buamim and Christopher O'Donnell. O'Donnell also serves as its President and CEO. Both individuals are natural person qualifiers.

[REDACTED]

The Investigators confirmed that Infinity World Cayman Holding was found suitable by gaming regulators in Nevada (November 20, 2008, file No. SD-195); Michigan (March 9, 2010, file No. MGM-10-001, renewed August 14, 2012, file No. MGM-12-003); and Mississippi (June 25, 2009, expires June 24, 2018). No adverse regulatory actions exist in those jurisdictions. An application before gaming regulators in New Jersey was withdrawn in 2010 as part of a settlement agreement between MGM and regulators, and a re-application has been submitted and is pending in New Jersey.

Infinity World Cayman Holding did not list any current or prior litigation, consistent with our research.

3. Infinity World (Cayman) LP

Infinity World (Cayman) LP was formed as a limited partnership on August 30, 2007, in the Cayman Islands. It was formed to serve as an intermediary company of Infinity World Investments LLC, which holds common stock of MGM Resorts International. Infinity World (Cayman) LP maintains a current business address at Level 14 Galleries Building No. 4, Downtown Jebel Ali, Dubai.

This applicant is owned [REDACTED] by Dubai World and [REDACTED] by Infinity World Cayman Holding. Dubai World serves as the limited partner (non-voting) and

Infinity World (Cayman) LP serves as the General Partner (voting). As a limited partnership, there are no directors or trustees.

[REDACTED]

[REDACTED]

The Investigators confirmed that Infinity World (Cayman) LP was found suitable by gaming regulators in Nevada (November 20, 2008, file No. SD-195); Michigan (March 9, 2010, file No. MGM-10-001, renewed August 14, 2012, file No. MGM-12-003); and Mississippi (June 25, 2009, expires June 24, 2018), and no adverse regulatory actions exist in those jurisdictions. An application before gaming regulators in New Jersey was withdrawn in 2010 as part of a settlement agreement between MGM and regulators, and a re-application has been submitted and is pending in New Jersey.

Infinity World (Cayman) LP did not list any current or prior litigation, consistent with our research.

4. Infinity World Cayman Investments Corporation

Infinity World Cayman Investments Corporation was incorporated in the Cayman Islands on November 20, 2007, and remains registered there. It was created to serve as a holding company for Infinity World Investments LLC, the entity that holds stock in MGM Resorts International. Infinity World Cayman Investments Corporation Investments Corp. lists a business address of Level 14 Galleries Building No. 4, Jebel Ali, Dubai.

[REDACTED]

[REDACTED]

The Investigators confirmed that Infinity World Cayman Investments Corporation was found suitable by gaming regulators in Nevada (November 20, 2008, file No. SD-195); Michigan (March 9, 2010; file No. MGM-10-001, renewed August 14, 2012; file No. MGM-12-003); and Mississippi (June 25, 2009, expires June 24, 2018), and no adverse regulatory actions exist in those jurisdictions. An application before gaming regulators in New Jersey was withdrawn in 2010 as part of a settlement agreement between MGM and regulators, and a re-application has been submitted and is pending in New Jersey.

Infinity World Cayman Investments Corporation did not list any current or prior litigation, consistent with our research.

5. Infinity World Investments LLC

Infinity World Investments LLC was formed on August 16, 2007, in Nevada as a limited liability company. This entity was created to purchase, hold, dispose and otherwise deal with the stock of MGM Resorts International. Infinity World Investments LLC maintains a current business address at Level 14 Galleries Building No. 4, Downtown Jebel Ali, Dubai.

The applicant has not issued any shares or stock. [REDACTED]

[REDACTED] At the time of its disclosure filing with the Massachusetts Gaming Commission, Infinity World Investments LLC owned 26,048,738 shares (5.3 percent) of MGM common stock. The average price paid at acquisition was \$83 per share.

The Board of Managers of Infinity World Investments LLC consists of Hamad Buamim and Christopher O'Donnell. O'Donnell also serves as its President and Chief Executive Officer. The prior managers of the applicant were Sultan Bin Sulayem, Maryam Sharaf, Abdul Al Ulama, Kar Tung Quek, and Lai Boon Yu.

[REDACTED]

The Investigators confirmed that Infinity World Investments LLC was found suitable by gaming regulators in Nevada (November 20, 2008; file No. SD-195); Michigan (March 9, 2010; file No. MGM-10-001, renewed August 14, 2012; file No. MGM-12-003); and Mississippi (June 25, 2009, expires June 24, 2018), and no adverse regulatory actions exist in those jurisdictions. An application before gaming regulators in New Jersey was withdrawn in 2010 following approval by the New Jersey Casino Control Commission for MGM Resorts International to divest its ownership in a casino property in Atlantic City.

Infinity World Investments LLC did not list any current or former litigation, consistent with our research.

C. Dubai World Delegation of Authority and Compliance Plan

As stated, Dubai World is the parent holding company for over 1,000 entities, including the five Infinity World subsidiaries that hold the common stock interest in MGM Resorts International. For scope of licensing purposes of identifying the individuals and entities responsible for control of the equity interest in MGM Resorts International, by way of annual resolution since March 3, 2008, the Board of Directors of Dubai World delegated authority over managing, controlling and legally conducting the business of the Infinity World group of companies to named Infinity World directors and managers. The March 3, 2008, resolution operates “to legally delegate the powers with respect to managing, controlling and conducting the business, operations and affairs of each Infinity World company, including exercising control, voting and dispositive authority over the Infinity World companies ownership and interest in the MGM and CityCenter investments to the Infinity World directors and managers named therein.” This delegation has the practical effect of significantly narrowing the entities and individuals subject to gaming regulatory scope of licensing, as it identifies and segregates the specific entities and individuals responsible for control of the MGM Resorts International stockholdings within the Dubai World corporate structure.

This approach to define scope of licensing was implemented with the 2008 approval of the Nevada Gaming Control Board. To confirm to regulators that this delegation of authority is maintained, Dubai World has established a Compliance Plan (“Plan”) and a Compliance Committee. Investigators have reviewed the Compliance Plan and related annual Resolutions of the Dubai World Board of Directors, and observe that the Compliance Plan is created for two purposes: (1) ensuring compliance with the terms and conditions of the resolutions regarding the delegation of authority by the Dubai World Board of Directors to those individuals referred to in such delegations as the “Infinity World group managers”; and (2) performing such duties as may be requested or assigned by the Chairman of the Nevada Gaming Control Board relating to the review of

activities relevant to the continuing qualifications of the company under the provisions of the Nevada act and the Nevada regulations.

To achieve these limited goals, the Compliance Committee consists of one individual, who according to the Plan, shall be independent of the Company and knowledgeable in gaming law generally and Nevada gaming regulatory process specifically. Appointment is for a three-year term, with successive terms permissible. The current member of the Compliance Committee is Stephen DuCharme, a natural person qualifier in this Application and a former 10-year member (two years as Chairman) of the Nevada Gaming Control Board. In practice, DuCharme communicates quarterly with the Board of Directors of Dubai World, Directors and Group Managers of the Infinity World companies, corporate counsel (staff and outside), as well as outside auditors, all to verify that the delegation of authority has not been breached. Section 6.1 of the Dubai World Compliance Plan requires a certification from corporate officers attesting to no direct or de facto involvement by the Dubai World board in the management, control or conduct of the business, operations and affairs of the Infinity World group of entities. Principals execute on a quarterly basis the required certification attesting to compliance with the delegation resolution, which is forwarded to the Nevada Gaming Control Board. Investigators interviewed qualifiers Andrew J. Watson (Managing Director of Dubai World), Junaid M. Rahimullah (Chief Financial Officer of Dubai World), Hamad M. Buamim (Infinity World Director), and Christopher O'Donnell (Infinity World Director and CEO), and discussed the compliance process. All advised us there were no known breaches of the delegation of authority.

Investigators note that the compliance process relies on self-reporting. Interviews with senior executives and DuCharme show that DuCharme does not undertake independent investigation to confirm the statements of adherence. During this probity review it was apparent that one senior qualifier misunderstood the strictures imposed by the delegation of authority. During the April 28, 2013, interview with Dubai World Chief Financial Officer Rahimullah, he stated it would be Dubai World's decision if it ever sought to dispose of its investment in MGM Resorts International. Outside counsel for Dubai World present at the interview then sought to refresh Rahimullah's recollection with a copy of the delegation resolution, specifically sections 2.4 and 2.5, which gives the

Infinity World Group Managers “dispositive authority over their respective ownership and interest in the equity securities of MGM.” Despite this, Rahimullah maintained his opinion that Dubai World’s approval was necessary. Rahimullah’s insistence that Dubai World ultimately controls the investment in MGM stock is irreconcilable with the delegation of authority resolution and compliance process, and gives us pause as to whether the self-reporting compliance process in place is an appropriate control to ensure those responsible for managing Dubai World’s equity interest in MGM Resorts International fall within the Commission’s scope of licensing.

D. Corporate Governance

As set forth in the financial suitability review of Dubai World herein, the applicant experienced enormous growth in 2006 and 2007, which ultimately led to significant financial distress as a result of the economic downturn. From our interview with Dubai World Managing Director Andrew Watson, it became apparent that during the economic boom the business of Dubai World was expanding so rapidly that it outpaced corporate governance. Watson shared that, at one point during the boom years, mere identification of all of the Company’s assets was difficult. Based on our April 2013 interviews with senior executives, it appears that contemporaneously with the financial restructuring (and likely a condition of), a clearly defined management-driven corporate governance system has been implemented. Due to the international scope of Dubai World’s business interests, internal training has been implemented on such topics as the United States Foreign Corrupt Practices Act and the United Kingdom Bribery Act. Written manuals have been prepared and distributed to staff. As noted above, our communications with United States gaming regulators in Nevada, Michigan and Mississippi with whom Dubai World and the Infinity World qualifying entities hold licenses reflect no sanctions or adverse actions.

Investigators met with the Special Agent holding the position of Chief of Office of the Federal Bureau of Investigation Legal Attaché of the United Arab Emirates, who indicated that he was unaware of any disclosable information pertaining to Dubai World, its Infinity World subsidiaries, and the six natural person qualifiers, that would materially impact suitability for licensure by the Commission.

This investigation did reveal that Inchcape Shipping, owned by Dubai World through its Istithmar subsidiary, is the subject of an ongoing inquiry by the US government regarding possible fraudulent activities, including overcharging for services rendered. Inchcape Shipping provides services to the US Navy at ports in the Middle East and Africa. Investigation shows that this probe had its origins in 2007, when two Inchcape employees informed a supervisor of potential liability for fraudulent conduct. We are advised that while there is no active criminal investigation at this time, an investigation by the Inspector General of the US Department of Defense was initiated, and civil proceedings are possible. Despite the ongoing inquiry, Inchcape Shipping continues to service the US Navy. We do note that Managing Director Andrew Watson disclosed this inquiry during his April 28, 2013, interview in Dubai. We discussed this with the Chief of Office of the Federal Bureau of Investigation Legal Attaché for the United Arab Emirates, who did not deem this as a material concern.

E. Other Gaming Interests

As noted, the Dubai group holds a 5.3 percent stake in MGM Resorts International via the Infinity World qualifying entities; in February 2013 William Grounds, a director of Infinity World, was appointed to the Board of Directors of MGM Resorts International. The Dubai group' interest in MGM Resorts International (excluding the group's joint venture with MGM Resorts International in CityCenter) is predominantly held as a passive investment. Prior to the group's investment in MGM Resorts International, in June 2004 Istithmar World,⁵ a subsidiary of the Group, acquired a [REDACTED] shareholding in Kerzner International Holdings Limited ("KIHL"), which operates the Atlantis, Paradise Island, in the Bahamas, along with other resorts. The Atlantis, Paradise Island, operates a licensed casino on its property. In July 2006, KIHL delisted increasing Istithmar's stake in the company to approximately [REDACTED]. During 2012 KIHL underwent a restructuring program which reduced Istithmar World's shareholding to [REDACTED]. KIHL also owns and operates a small

⁵ [REDACTED]

casino at the Mazagan Resort Hotel in Morocco; and owns a Kempinski hotel in Djibouti with a small casino management and operation outsourced. We have been informed by the Applicant's outside gaming counsel, that Istithmar has a passive involvement in KIHIL. Three directors of Dubai World and Istithmar World are members of the Board of KIHIL. However, none of these individuals is an officer of KIHIL.

In July 2005, Istithmar and KIHIL also formed a joint venture to develop Atlantis, The Palm, a hotel resort located on the Palm Jumeirah Island in Dubai. In 2012, the Group acquired the remaining stake of Atlantis, The Palm for [REDACTED] from KIHIL as part of debt restructuring by KIHIL. The Atlantis, The Palm is a non-gaming property.

F. Media Coverage

Research of available online and print media sources within the past five years (2008-present) revealed derogatory or adverse items relative to Dubai World, most of which pertain to the organization's debt restructuring from 2009 to 2011. Key points from a representative sample of selected articles are provided below.

- *Bloomberg* – March 11, 2013: Dubai faces a “pivotal year” in 2014 as the emirate tackles \$20 billion of debt amid an unclear legal framework for restructurings and uncertain support from its richer neighbor, said Moody's Investors Service. Dubai was on the brink of default in 2009 after a spending binge to turn itself into a trade and tourism hub.
- *EIU ViewsWire Select* – December 20, 2012: The Central Bank of the UAE has postponed the implementation of three key banking reforms, after intensive lobbying by the country's biggest banks. The regulations, which were announced in July, were recommended by the IMF as part of efforts to reduce risk for banks and prevent any repeat of the Dubai World corporate debt crisis, when the Central Bank was forced to step in and support beleaguered lenders left overexposed to government-related debt.
- *Times of Oman* – September 5, 2012: HSBC Holdings and BNP Paribas are among banks extending a \$1.5 billion so-called profit participating loan to Dubai-based Drydocks World as it restructures debt. The 15-year loan, part of a \$2.25 billion debt restructuring for the Middle East's biggest shipyard, will pay creditors profit or cash from asset sales. Dubai World-controlled Drydocks also agreed on a new \$800 million five-year term loan paying a

market interest rate. A special court in Dubai sanctioned the debt restructuring after creditors approved the plan, without providing the terms of the deal. The Dubai World Tribunal, set up in 2009 to handle claims against Dubai World and its subsidiaries, approved the restructuring of Drydocks after 97.8 per cent of its creditors agreed.

- *TheNational* – March 15, 2012: Drydocks World's US \$2.2 billion debt restructuring has hit a snag after one of its creditors sued the shipbuilder for defaulting on its debts. ... US hedge fund Monarch Alternative Capital won a \$45.5 million case against Drydocks, having first claimed against the company in the High Court of London last year.
- *FT.com* – September 12, 2012: Three banks [Royal Bank of Scotland, Commerzbank and Standard Bank] have launched legal proceedings against the Dubai Investment firm, Dubai Group, calling for immediate repayment of loans after abandoning talks aimed at restructuring the company's \$10bn in debts. Dubai Group is an investment arm of the Dubai Holding conglomerate owned by Dubai's ruler, Sheikh Mohammed bin Rashid-al-Maktoum. The move is believed to be a private arbitration case, marking a more aggressive strategy from global lenders who have for the past few years negotiated to extend maturities when dealing with the workout of Dubai's debt pile.
- *Islamic Finance Asia* – July 11, 2012: Issued in December 2009, in light of Dubai World's then-impending default, Decree 57, the emirate's new insolvency law was incorporated. Decree 57 created a special legal regime that applies in the event that Dubai World or any of its subsidiaries including DP World, Drydocks World, Dubai Maritime City, Istithmar World and Economic Zones World - all major contributors to the emirate's economy – are in an insolvency situation. Although in the end Dubai World did not need to resort to protection of the Dubai World Tribunal to effect its US \$25 billion restructuring plan, almost three years on its subsidiary Drydocks World filed for Decree 57 on April 1, 2012.
- *ArabianBusiness.com* – September 26, 2011: A directive, issued on Thursday by the tribunal's chairman Sir Anthony Evans, said the [Tribunal] court would continue to oversee legal cases [for Nakheel] that commenced before Aug 23. Rejected cases would need to seek recourse in the Dubai Courts. Until now there was some doubt as to whether the issue of jurisdiction after the separation of Nakheel from Dubai World would be dealt with by the tribunal – after hearing the parties' respective arguments – or by way of a directive or regulation from The Ruler's Court. The former Dubai World subsidiary was one of the biggest casualties of the property crash after overstretching itself with ambitious projects such as the offshore World island development.

- ArabianBusiness.com – July 6, 2011: Dubai World on Wednesday said it had shifted ownership of its troubled property units Nakheel and Limitless to the government, adding that its restructuring process was now complete.
- UAEInteract.com – March 24, 2011: Dubai World has signed the final agreement on its debt restructuring plans with all 80 creditors, signifying an end to approximately 12 months of negotiations. The deal to restructure its nearly US \$25 billion debt has been divided into two phases. In the first phase, US \$4.4 billion will be paid over five years and in the second phase US \$10.3 billion will be paid over eight years at a fixed interest rate of 2.4 percent. The amount includes debts held by the banks while the remaining debt is held by the Dubai government.
- *MEED Middle East Economic Digest* – April 1, 2010: On 25 March, four months after announcing its desire for a six-month standstill agreement with banks while it restructured the \$23.5bn debt held by its Dubai World conglomerate, the government announced it would commit \$9.5bn to the two firms [Dubai World and its subsidiary Nakheel] in a bid to help restructure their debt. The funds would be made up of the \$5.7bn left over from previously announced loans from the government of Abu Dhabi in 2009, with the remaining \$3.8bn coming from undisclosed “internal Dubai government resources.”
- *Mondaq Business Briefing* – March 24, 2010: On 14th December 2009, His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of UAE, Ruler of Dubai issued Decree No. 57 of 2009, “Establishing a Tribunal to decide the Disputes Related to the Settlement of the Financial Position of Dubai World and its Subsidiaries.” The Decree was issued to provide a comprehensive legal framework, consistent with international standards, to govern any future formal reorganization and restructuring of Dubai World and its subsidiaries and to deal with the settlement of dispute related to Dubai World and its subsidiaries. Underpinning this legal framework, the Decree established a special tribunal composed of three senior international judges from the Dubai International Finance Centre (DIFC) Courts. The judgments of the Tribunal are final, irrevocable and not subject to any appeal.
- *Energy Compass* – December 18, 2009: Abu Dhabi cast Dubai a \$10 billion lifeline.... Dubai used the cash injection to pay \$4.1 billion to holders of an Islamic bond issued by heavily indebted developer Nakheel, while the rest of the money will go to providing Dubai World, Nakheel's parent, with working capital through Apr. 30 and for paying off bills to contractors and trade creditors.

- *Kippreport* – December 8, 2009: Dubai announced a six-month debt "standstill" for two of its major companies - Dubai World and Nakheel on November 25. The news shocked the world and rapidly pulled down international stock markets.
- *Brattleboro Reformer (Vermont)* –December 2, 2009 (Editorial): Last week, Dubai World, the government-owned holding company for the vast majority of the emirate's construction projects, defaulted on somewhere between \$60 billion and \$90 billion of its debt. Major international financial firms such as HSBC, Barclay's, ING, Royal Bank and Lloyd's are now left holding the bag.
- *Las Vegas Review-Journal* – December 2, 2009: State gaming regulators, who licensed Dubai World last month to share in revenue from the soon-to-open Aria's casino, are closely watching the financial maneuverers of the Persian Gulf emirate's investment arm as it deals with a potential default of some \$60 billion in debt. If there is a change in control of Dubai World, the entity could again be called forward for licensing by Nevada.
- *Kippreport* – November 18, 2009: [The UAE] has been handling numerous high profile cases of fraud and embezzlement since 2008, the most recent being the five-year prison sentence handed down to a senior manager in Dubai World's investment firm, Istithmar World. The British man was also fined AED10 million (\$2.7 million) after he was found guilty of embezzling AED4.9 million (\$1.34 million). Senior employees with companies like Nakheel, Dubai Properties, Deyaar and Damas, have been accused of fraud in Dubai since last year.
- *Cbslocal.com* – August 24, 2011: Eight former hotel guests are suing the posh Aria Resort & Casino and its builders, seeking \$337 million in damages alleging they were exposed to Legionnaires' disease during their stays. Six of the plaintiffs allege they were treated for the disease and lawyers say the huge amount sought in compensatory and punitive damages stems from negligence by resort owners MGM Resorts International and Dubai World.
- *USA Today* – August 25, 2011: Guests at Aria's Resort & Casino are suing the resort's owners – MGM Resorts International and partner Dubai World – and its builders for \$337.5 million, alleging negligence that exposed them to Legionnaires' disease, a respiratory ailment that can be deadly. The suit says six plaintiffs who stayed at the Aria in April and June were treated for Legionnaires' disease, and multiple instances of the Legionella bacteria in the water system.
- *ArabianBusiness.com* – March 1, 2011: A trial that pitted state-backed conglomerate Dubai World against a submarine builder has ended after a US

federal jury voted against awarding thousands of dollars in damages to either party. A Florida court found Herve Jaubert, the ex-CEO of Dubai World subsidiary Exomos, guilty of breach of contract, but turned down the company's claim for \$539,000 in compensatory damages, Dubai World had also suggested jurors award punitive damages of up to \$750,000. Dubai World was, however, awarded \$335,000 related to two submersibles the court found that Dubai World had paid for, but Jaubert failed to deliver. French special agent Jaubert was accused of fraud, breach of contract and of racking up \$31m in debt during his time as CEO of Exomos, which was established in 2004 to design and build submarines. Upon Jaubert's fleeing from Dubai, Dubai World in September 2009 filed a fresh case against him in US federal court. Jaubert had countersued the conglomerate, claiming he was falsely accused of embezzlement and threatened with incarceration after his passport was confiscated and he was fired from the firm. Legal rulings reduced his complaint to one count of abuse of process against Dubai World, but he failed to secure monetary damages for the claim.

- *Associated Press* – March 13, 2010: Perini Building Co., the primary contractor for the newly completed CityCenter complex told the joint venture's owners that it intends to file mechanic's liens to collect on \$492 million in construction bills. MGM Mirage told federal regulators that it believes it and co-owner Dubai World owe Perini Building Co. far less.
- *Las Vegas Review Journal* – November 4, 2009: In March, Dubai World filed a surprise lawsuit against MGM Mirage in Delaware [Chancery Court], saying its joint-venture partner had mismanaged the CityCenter's development costs. Dubai World also refused to make its half of monthly payments that were due to keep CityCenter construction moving forward. (Note: Additional articles report Dubai World agreed to dismiss the lawsuit it filed against MGM Mirage).
- *Associated Press Financial Wire* – November 20, 2009: The Nevada Gaming Commission unanimously approved a casino license for the centerpiece casino at the CityCenter complex on the Las Vegas strip. The Commission found both MGM Mirage and project partner Dubai World suitable as owners of CityCenter to open next month.

Dubai World is mentioned numerous times on the Internet, with adverse information found regarding this entity pertaining to the events already detailed above.

The Dubai World website is located at www.dubaiworld.ae at which an overview of the company, list of current board members and access to portfolio companies, to

include DP World, Drydocks World, Dubai Maritime City, Economic Zones World and Istithmar World, can be viewed.

In addition, a website located at www.uaeinteract.com, UAE Interact, provides numerous media articles related to the Dubai World debt restructuring.

G. Significant Litigation

Investigators conducted a review of litigation involving Dubai World and its related Infinity World qualifying entities. As expected with an organization the size and scope of Dubai World, there are several pending matters, as well as a litigation history, both as plaintiff and defendant. While investigators have reviewed these matters (and they are part of the Commission's files), synopses of some cases reviewed are not included in this report for brevity, as they do not impact qualification for licensure. Several involve routine personal injury matters arising out of the CityCenter joint venture with MGM Resorts International. There are several significant litigation matters involving CityCenter that are set forth below: ongoing litigation over the safety of a 26-story hotel tower, as well as four lawsuits by multiple plaintiffs alleging exposure to Legionnaires disease at the Aria Resort and Casino (we have identified one below). We have also detailed a pro se US District Court matter in which civil racketeering allegations were alleged against Dubai World and other entities, and litigation involving Dubai World's port operations in India. The 2009 litigation between Dubai World and MGM Resorts International is also detailed.

Perini Building Company v. MGM Mirage Design Group, et al.

*(Docket No. A-10-612676; Eighth Judicial District Court of Nevada, Clark County)*⁶

Perini Building Company Inc., the primary general contractor for the CityCenter development project (the "Project"), filed suit on March 24, 2010, against MGM Mirage Design Group and several CityCenter entities asserting that the Project was substantially completed but the Defendants wrongfully failed to pay Perini approximately \$490 million allegedly due and owing under the construction agreement for labor, equipment and

⁶ This matter is also set forth in the MGM Resorts International "Significant Litigation" section.

materials expended on the Project. Dubai World, the beneficial owner of 50 percent of the CityCenter project through CityCenter Holdings LLC, has exposure to this lawsuit along with MGM Resorts International. The complaint further charges the defendants with failure to provide timely and complete design documents, late delivery to Perini of design changes, mismanagement of the change order process, obstruction of Perini's ability to complete the Harmon Hotel & Spa component, and fraudulent inducement of Perini to compromise significantly amounts due for its general conditions. The complaint advances claims for breach of contract, breach of implied covenant of good faith and fair dealing, tortious breach of the implied covenant of good faith and fair dealing, unjust enrichment and promissory estoppel, and fraud and intentional misrepresentation. Perini seeks compensatory damages, punitive damages, attorneys' fees and costs.

On or about April 29, 2010, Perini served an amended complaint that joins as defendants many owners of CityCenter residential condominium units, adds a count for closure of Perini's recorded master mechanic's lien against the CityCenter property for \$491,240,000, and asserts the priority of this mechanic's lien over the interests of the CityCenter Owners, the Condo Owner Defendants and the Project lenders in the CityCenter property. Many of the subcontractors who filed suit independently of Perini (for the same monies encompassed within the Perini master lien) were consolidated with the Perini case for discovery and trial purposes.

Defendants dispute Perini's allegations, and contend that defendants are entitled to substantial amounts from Perini, including offsets against amounts claimed to be owed to Perini and its subcontractors, and damages based on breach of their contractual and other duties to CityCenter, duplicative payment requests, non-conforming work, lack of proof of alleged work performance, defective work related to CityCenter's Harmon Hotel & Spa component, property damage, and Perini's failure to perform its obligations to pay Project subcontractors and to prevent the filing of liens against the Project. On May 14, 2010, defendants filed a counterclaim against Perini and its parent corporation, Tutor Perini Corp., for breach of contract and other claims based on Perini's subcontractors' grossly negligent work and supervision of work at the Harmon – resulting in substantial structural defects in the building that the CityCenter believes are irreparable and require demolition of the building as the most cost-effective abatement remedy. CityCenter

estimates that its Harmon damages exceed \$300 million. The Harmon Hotel and Spa is the centerpiece of this litigation, as the 26-story building, constructed at a cost of \$275 million, has never been occupied since construction. MGM claims it is unsafe and non-repairable; Perini's position is that defects were due to faulty design but can be remedied at an approximate cost of \$21 million.

Parallel to the court litigation, CityCenter management conducted an extrajudicial program for settlement of subcontractor claims. CityCenter resolved the claims of 215 of the 222 first-tier Perini subcontractors (including the claims of any lower-tier subcontractors that might have had claims through those first-tier subcontractors), with only seven remaining for further proceedings along with trial of Perini's claims, and CityCenter's Harmon-related counterclaim. In August 2012 Perini recorded an amended notice of lien reducing its lien to approximately \$191 million.

Discovery is in progress. Trial of the first-tier lien claims remaining in the case, and trial of the Harmon Hotel and Spa construction defect counterclaim has been set for January 6, 2014.

Taylor et al. v. MGM Resorts International et al.

(Docket No.: 2:11-cv-01360 US District Court, District of Nevada); Interested Party: Southern Nevada Health District

This action was filed on August 8, 2011 by multiple plaintiffs alleging exposure to Legionnaires disease at the Aria Resort and Casino in CityCenter during respective visits there in 2011. The Complaint alleges breach of contract, loss of consortium and negligence under a variety of legal theories from *res ipsa loquitur* to reckless conduct justifying punitive damages. Discovery is ongoing, due to be completed by November 4, 2013. A Joint Pre-Trial order is due January 3, 2014. As noted above, this is one of four Legionella cases pending involving the Aria Resort and Casino in the CityCenter development.⁷

Mohajer v. United Arab Emirates; Adel Al Shirawi; Dubai World; DP World; Istithmar World PJSC; Barclays Bank Plc; et al.

(Docket No.: 1:11-cv- 00417 US District Court, District of Columbia)

⁷ This matter is also set forth in the MGM Resorts International "Significant Litigation" section.

This pro se Class Action was filed on February 23, 2011, by Ali M. Mohajer on behalf of citizens of the United States or elsewhere who were allegedly defrauded by or through the United Arab Emirates financial system which seeks to prey upon and “hijack” foreign investors’ assets and contracts for their own benefit. The Complaint claims the UAE court system in an illegal fashion “set up” the foreign investor by issuing contrived criminal charges through UAE agent that causes the passports of the foreign investors to be surrendered and their bank accounts frozen. The UAE court then convicts in many, if not all of the instances, the foreign investor forever tarnishing the credibility and image allowing the UAE to walk away with millions of dollars the expense of “trumped” up charges and human right violations. According to the complaint, many foreign investors were illegally charged and then found guilty through the fabricated facts of the defendants’ agents. This matter was dismissed without prejudice on January 3, 2012, due to the Plaintiff’s failure to effect service.

Infinity World Development Corp, a Nevada Corporation v. MGM Mirage, a Delaware Corporation, Mirage Resorts Incorporated, a Nevada Corporation, and Project CC LLC, a Nevada Limited Liability Company

(Docket Number: 4438 The Court of Chancery of the State of Delaware)

This action was filed on March 22, 2009, by Infinity World Development Corporation against its CityCenter joint venture partner MGM Resorts International (then MGM Mirage) seeking a judicial declaration that MGM had defaulted on its obligation in connection with a joint venture with Infinity World to design, construct, and operate the CityCenter development on the Las Vegas Strip in Las Vegas (the “joint venture”).

In its Form 10-K filed with the Securities and Exchange Commission on or about March 17, 2009, MGM acknowledged there is substantial doubt it would be able to continue as a going concern. MGM acknowledged it would be able to meet its 2009 financial commitments, which include significant capital contribution obligations to the Joint Venture under the agreement. MGM said it did not believe it would be in compliance with financial covenants with the lenders for its senior credit facility by March 31, 2009, and further admitted that it had to seek a waiver of its breach of those financial covenants and that this waiver would expire on May 15, 2009. Infinity World Development Corporation asserted that MGM’s statements met the joint venture

agreement's definition of Events of Default, specifically: (1) a written admission by MGM of its inability to pay its debts as they mature; (2) MGM's material breach of a representation and warranty; and (3) a breach by MGM of any of its obligations under the Joint Venture Agreement. A default in any one of these areas would have been an Event of Default that would relieve Infinity World of its obligations; Infinity World Development Corporation claimed MGM had defaulted in all three.

The Plaintiff sought an Order declaring that it be excused from all future performance under the Joint Venture Agreement as a result of MGM's breaches; damages according to proof; attorneys' fees and costs, as well as such other relief as the case may have required, or which the Court deemed just and appropriate.

The matter was quickly settled and dismissed with prejudice. On April 29, 2009, MGM and Infinity World Development Corporation reached an agreement on a revised Joint Venture Agreement and also reached an agreement with CityCenter's lenders on a comprehensive plan to fully fund the completion of CityCenter.

Mundra International Container Terminate Private Limited v. Gujarat Maritime and Mundra Port & Special Economic Zone

(Venued in the Courts of the state of Gujarat, India; docket number unavailable)

Mundra International Container Terminate Private Limited (an indirect subsidiary of Dubai World held through DP World) acquired the interests of P&O Ports, an entity which held a concession to develop/operate the port at Mundra. The Gujarat, India, Maritime and Mundra Port & Special Economic Zone objected on the grounds that the subconcession held by P&O required prior approval from the Gujarat Maritime Board and the Gujarat government before the transfer of any equity, property, assets or management of the Mundra port. Mundra International Container Terminate Private Limited initiated this litigation to reinstitute the subconcession. This matter was still active in January 2013. We have since asked the applicant to provide us with an updated status on this litigation.

IV. Financial Suitability Evaluation

A. Background

A suitability review of the financial performance of Dubai World group has been conducted in order to ascertain the financial stability and integrity of the group. Although five different Dubai World group entities have filed individually with the Massachusetts Gaming Commission (these being Infinity World Holding Limited, Infinity World [Cayman] Holding, Infinity World [Cayman] LP, Infinity World Cayman Investments Corporation and Infinity World Investments LLC), the Dubai World group as a whole has been reviewed for the purpose of this report. This approach has been taken as the Infinity World entities are all [REDACTED] non-trading entities with the sole purpose of holding investments in MGM Resorts International and the CityCenter joint venture with MGM Resorts International in Las Vegas. Therefore the group's overall financial position and performance has been reviewed in order to determine the applicants' financial suitability for licensing.

As noted, the group maintains a 5.3 percent stake in MGM Resorts International held via the Infinity World qualifying entities. This has been diluted in recent years from the original investment of about 9.7 percent, which took place in a series of transactions between October 2007 and February 2008. [REDACTED]

[REDACTED] See the below chart (provided by Dubai World management during the interview process) for further details:

Infinity MGM Stock Purchase

Infinity World Investments LLC, a Nevada limited liability company ("IWI"), and Infinity World (Cayman) L.P., a Cayman Islands exempted limited partnership ("Cayman LP"), purchased shares of MGM common stock ("Shares") through a series of transactions. Infinity World is an indirect, wholly owned subsidiary of Cayman LP.

Date	Transaction	No of Shares	Amount	Source	Origin	SPV	Beneficiary	Legal Owner
11/Oct/07	Purchase of MGM shares through tender offer	040,700	\$29,290,992		Dubai World	MI	Melion Investor Services	IWI
18/Oct/07	Purchase of MGM treasury shares	11,200,000	\$1,192,800,000		Dubai World	MI	MGM Mirage	IWI
24/Dec/07	Purchase of MGM additional shares	5,000,000	\$424,000,000		C.B./C.C./R.D.G.	MI	Link Foundation	Infinity World (Cayman) L.P.
05/Feb/08	Purchase of MGM shares through tender offer	6,500,000	\$620,000,000		Dubai World	MI	Melion Investor Services	Infinity World (Cayman) L.P.
Total Investment in MGM Shares		20,540,700	\$2,166,090,992					

3

Infinity World is operated as a separate business to Dubai World in accordance with the terms of licensing set by the Nevada Gaming Control Board. As described in Section III.B, this has been achieved via a delegation of authority from Dubai World to the directors of Infinity World. We have reviewed the Resolutions of Dubai World, as updated on June 27 2011, and the subsequent quarterly compliance reports and no issues were identified which would impact upon our financial findings within this report. The key decision makers within Infinity World are Andrew Watson (Managing director – Dubai World), Junaid Rahimullah Muhammad (Chief Financial Officer – Dubai World), Hamad Mubarak Buamim (Director – Infinity World), William Grounds (Director – Infinity World), and Christopher O’Donnell (Director and CEO – Infinity World). In February 2013, William Grounds was appointed a director of MGM Resorts International. As Infinity World holds a stake greater than 5 percent in MGM Resorts International, it has the right to appoint a board member. This right was previously not exercised. During his April 28, 2013, interview in Dubai, Christopher O’Donnell stated that Dubai World’s exercise of its right to appoint a director was done simply upon a

conclusion that William Grounds had the experience, relationships and ability to further Dubai World's interests with a presence on the MGM Resorts International Board.

Dubai World was established on March 2, 2006, by decree of the ruler of Dubai, HH Sheikh Mohammed Bin Rashid Al Maktoum. It was set up as an investment holding entity to manage the businesses and projects of the beneficial owner, the Government of Dubai. A number of the companies held within the group represent businesses that had previously existed as separate government entities. The group structure was designed to streamline the government's business interests and to aid corporate governance. The principal activities of the group include: (1) the operation of ports and ferries; (2) development and operation of economic zones, industrial zones and logistics parks; (3) investments in business, commercial, hospitality, industrial, healthcare agricultural and real estate projects; and (4) dry dock and maritime services.

[REDACTED]

[Redacted text block]

B. Financial Operating Results

[Redacted text block]

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[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

⁸ Limitless World was another real estate subsidiary of the group.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

In conclusion, the Dubai group appears to currently have both financial integrity and stability in respect of its passive investment of 5.3 percent in MGM Resorts

International. However, should the Applicant be licensed by the Massachusetts Gaming Commission, it is recommended that the group should be monitored closely from a financial perspective following the corporate and debt restructuring.

V. Natural Person Qualifiers

A. Andrew John Watson

The investigation of Andrew John Watson, Managing Director of Dubai World, did not reveal any derogatory information that would impact on his suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier's Name and Verified Information

Research of available online public records and documents provided by Watson verified the following information:

Name: Andrew John Watson

[REDACTED]

2. Employment History

The investigation confirmed that Watson is currently employed as Managing Director of Dubai World and Chief Executive Officer of Istithmar World. By virtue of his position as Managing Director of Dubai World, Watson holds positions as an officer or director of over 200 companies that fall under the corporate umbrella of Dubai World. He is appointed to those positions for legal reasons and does not have any participation in their daily operations.

Watson was previously employed by the following companies:

- Nakheel 10/2007 – 9/2009
- Barclays Capital 01/2006 – 6/2007
- Barclays Bank, PLC 01/1998 – 12/2005

Employment was confirmed through public records sources, documents provided by the qualifier, tax returns and other sources.

3. Criminal Record

[REDACTED]

4. Education

Watson disclosed and research verified that Watson attended the University of Manchester Institute of Science and Technology, Manchester, United Kingdom, where he received a Bachelor of Science degree in Financial Services, on June 2, 2003.

5. Professional and Gaming Licenses

Watson did not disclose any non-gaming professional licenses in his PHDF and research did not reveal any such licenses for him.

Watson disclosed that he has applied for qualification in various gaming jurisdictions, which could include US, tribal and/or international jurisdictions. The Investigators requested verification of certain US non-tribal licenses from the appropriate regulatory agencies as noted in the Scope and Methodology section of this report. The results of those inquiries, which verified the applicant's disclosure, have been received and no negative or derogatory information is noted.

6. Directorships and Stockholdings

Watson disclosed and research verified that there are no current directorships for Watson other than those associated with Dubai World. This is consistent with the information disclosed by Watson in his PHDF. Watson disclosed that he does not own a minimum of 5 percent in any business entity.

7. Civil Litigation Records

Watson indicated on his PHDF and research verified that he has not been party to any legal action.

8. Bankruptcy

[Redacted]

9. Property Ownership

[Redacted]

10. Financial Suitability Evaluation

[Redacted]

Income Analysis

[REDACTED]

Net Worth Analysis

[REDACTED]

Assets

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

Liabilities

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Conclusion as to Financial Suitability

We have uncovered no information suggesting that Watson does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

The investigation has confirmed that Watson has not made any prohibitive political contributions in Massachusetts that violate MGL c.23K s.46 or 205 CMR 108.00.

12. Significant Investigative Issues

None.

13. References

- Chris O'Donnell, [REDACTED]

[REDACTED]⁹

The above-named references were contacted and queried regarding the character and integrity of Watson. All three references indicated that Watson was of the highest character and integrity. [REDACTED]

[REDACTED] No derogatory information was developed which would preclude Watson from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did not reveal any derogatory or adverse items relative to Watson. He is mentioned numerous times on the Internet, however no adverse information was found regarding this individual.

15. Conclusion

Based on the investigation there were no known facts that would disqualify Watson based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

⁹ O'Donnell is a natural person qualifier in this Application.

B. Junaid Rahimullah Muhammad

The investigation of Junaid Muhammad, (aka Junaid Rahimullah) Chief Financial Officer of Dubai World Corporation, did not reveal any derogatory information that would impact on his suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier's Name and Verified Information

Research of available online public records and documents provided by Muhammad verified the following information:

Name: Junaid Rahimullah Muhammad

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Employment History

Investigation confirmed that Muhammad has been employed by Dubai World Corporation in various capacities since June 2005, eventually rising to the level of Chief Financial Officer, a position he has held since July 2011. In addition to his position as CFO, Muhammad also holds the position of General Manager in the following Dubai World entities:

- Dubai Mining World 6/2010 – Present
- Dubai Natural Resources Holdings 6/2010 – Present
- Dubai Energy World 6/2010 - Present

Muhammad also holds directorships and corporate officer positions within the following Dubai World entities:

- Dubai World Group Finance
- Dubai World Aviations, Ltd. (1, 5, 6 & 7)
- DBP Azeri Holdings, Ltd.
- Dubai Natural Resources World Holdings, Ltd.
- Dubai World Finance Holdings, Ltd.
- Dutech LLC
- DW Petroleum, Ltd.
- Nakheel International
- BMG Ltd.

Prior to his employment with Dubai World, Muhammad was employed by the following companies:

- Emirates National Oil Company 4/2003 – 6/2005
- Arthur Anderson 8/1988 – 4/2003

Employment was confirmed through public records, documents provided by the applicant, tax returns and other sources.

3. Criminal Record

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4. Education

Muhammad disclosed and research verified that Muhammad attended Government Premier College, Karachi, Pakistan, where he received Bachelor of Science degree from Premier College in August 1988.

5. Professional and Gaming Licenses

Muhammad did not disclose any non-gaming professional licenses in his PHDF and research did not reveal any such licenses for him.

Muhammad disclosed that he has applied for qualification in various gaming jurisdictions, which could include US, tribal and/or international jurisdictions. The Investigators requested verification of certain US non-tribal licenses from the appropriate regulatory agencies as noted in the Scope and Methodology section of this report. The results of those inquiries, which verified the applicant's disclosure, have been received and no negative or derogatory information is noted.

6. Directorships and Stockholdings

Muhammad disclosed and research verified that his directorships are limited to entities controlled by Dubai World as indicated under the Employment section of this report. Muhammad indicated on his PHDF, and investigation verified, that he does not own more than 5 percent in any business entity.

7. Civil Litigation Records

Muhammad indicated on his PHDF and research verified that he had not been party to any legal action.

8. Bankruptcy

9. Property Ownership

[REDACTED]

10. Financial Suitability Evaluation

[REDACTED]

Income Analysis

[REDACTED]

Net Worth Analysis

[REDACTED]

Assets

[REDACTED]

Liabilities

[REDACTED]

Conclusion as to Financial Suitability

We uncovered no information suggesting that Muhammad does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

The investigation has confirmed that Muhammad has not made any prohibitive political contributions in Massachusetts that violate MGL c.23K s.46 or 205 CMR 108.00.

12. Significant Investigative Issues

None.

13. References

- Andy Watson, [REDACTED]¹⁰

[REDACTED]

[REDACTED]

The above-named references were contacted and queried regarding the character and integrity of Muhammad. All three references indicated that Muhammad was of the highest character and integrity. [REDACTED]

[REDACTED]

[REDACTED] No derogatory information was developed which would preclude Muhammad from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did not reveal any derogatory or adverse items relative to Muhammad. He is mentioned numerous times on the Internet in relation to his position at Dubai World, however no adverse information was found regarding this individual.

15. Conclusion

Based on the investigation there were no known facts that would disqualify Muhammad based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

¹⁰ Watson is a natural person qualifier in this Application.

C. Hamad Mubarak Buamim

The investigation of Hamad Mubarak Buamim, Member of the Board of Directors of Dubai World and Infinity World Investments, did not reveal any derogatory information that would impact on his suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier's Name and Verified Information

Research of available online public records and documents provided by Buamim verified the following information:

Name: Hamad Mubarak Buamim

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Employment History

Investigation confirmed that Buamim has been a member of the Board of Directors of Dubai World Corporation since December 2010. He also holds the position of Director in several Dubai World subsidiaries that are a part of this application including the following:

- Infinity World (Cayman) Holdings 5/2011 – Present
- Infinity World Investments 5/2011 – Present
- Infinity World Development 5/2011 – Present
- Infinity World Cayman Investments 5/2011 – Present
- Infinity World Holding Ltd. 3/2011 – Present

Buamim's current regular employment is as the Director General of the Dubai Chamber of Commerce & Industry, a position he has held since April 2006. Prior to the Chamber of Commerce, Buamim was employed by the following companies:

- Dubai Economic Council 5/2004 – 4/2006
- HSBC Bank 2/2003 – 5/2004
- University of Missouri (student) 8/2000 – 7/2002
- Dubai Electric & Water Authority 2/1997 – 9/1999

Employment was confirmed through public records, documents provided by the applicant, tax returns and other sources.

3. Criminal Record

[REDACTED]

4. Education

Buamim indicated and research verified that he attended the University of Southern California, where he received a Bachelor of Science degree in Electrical Engineering in December 1996. Research also verified that Buamim received a MBA degree from the University of Missouri, Kansas City, in July 2002. Buamim also indicated and research verified that he was enrolled in a Ph.D. program at Coventry University in the UK from August 2003 to July 2005 but did not complete the program.

5. Professional and Gaming Licenses

Buamim disclosed on his PHDF that he was licensed as an engineer by the UAE Society of Engineers from May 2005 to May 2008, at which time his membership expired. The Society of Engineers declined to verify this information citing privacy rules.

Buamim was able to provide investigators with a copy of his expired license as verification.

Buamim disclosed that he has applied for qualification in various gaming jurisdictions, which could include US, tribal and/or international jurisdictions. The Investigators requested verification of certain US non-tribal licenses from the appropriate regulatory agencies as noted in the Scope and Methodology section of this report. The results of those inquiries, which verified the applicant's disclosure, have been received and no negative or derogatory information is noted.

6. Directorships and Stockholdings

Research of available Dun and Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports and assorted company records has revealed the following business affiliations for Buamim:

- Hawkamah Institute for Corporate Governance
- Central Bank of UAE
- Network International LLC
- National General Insurance
- Emirates Financial Services
- Emirates Capital LLC
- World Chambers Federation (Paris)
- Al Nasr Sports Club
- Union Properties
- Diners Club UAE
- University of Dubai
- Dubai Statistics Center
- Dubai Export Development Corp.
- Emirates NBD, Public Joint Stock Company

This is consistent with the information disclosed by Buamim in his PHDF that he is a director or a trustee of the above organizations primarily located in the UAE.

Buamim disclosed that he owns a minimum of 5 percent in the following business entities all of them located in the UAE:

- Maxicon Electrical Contracting
- Trojan Engineering

Research verified this information. Buamim’s business interests are discussed in greater detail in the Financial Suitability section of this report.

7. Civil Litigation Records

Buamim indicated on his PHDF and research verified that he had not been party to any legal action.

8. Bankruptcy

[REDACTED]

9. Property Ownership

[REDACTED]

10. Financial Suitability Evaluation

[REDACTED]

[Redacted]

Income Analysis

[Redacted]

Net Worth Analysis

[Redacted]

Assets

[Redacted]

[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

[Redacted]

[REDACTED]

Conclusion as to Financial Suitability

We uncovered no information suggesting that Buamim does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

Research of available public information sources was conducted regarding the Buamim’s political contributions. All identified contributions were forwarded to the Massachusetts Gaming Commission Investigations and Enforcement Bureau for review to ensure compliance with 205 CMR 108.00. Research of available records revealed no local or state Massachusetts political contributions for this applicant.

12. Significant Investigative Issues

None.

13. References

[REDACTED]

[REDACTED]

The above-named references were contacted and queried regarding the character and integrity of Buamim. All three references indicated that Buamim was of the highest character and integrity. [REDACTED]

[REDACTED]

[REDACTED] No derogatory information was developed which would preclude Buamim from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did not reveal any derogatory or adverse items relative to Buamim. He is mentioned numerous times on the Internet, however no adverse information was found regarding this individual.

15. Conclusion

Based on the investigation there were no known facts that would disqualify Buamim based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

D. Christopher John O'Donnell

The investigation of Christopher O'Donnell, CEO and Director of Infinity World Development Corporation, did not reveal any derogatory information that would impact on his suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier's Name and Verified Information

Research of available online public records and documents provided by O'Donnell verified the following information:

Name: Christopher John O'Donnell

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Employment History

Research confirmed that O'Donnell has been employed since October 2009, as CEO and Director of Infinity World Development Corporation, a subsidiary of Dubai World. Since June 2006, O'Donnell has held over 68 executive and director positions with various subsidiaries of Dubai World, including, until his resignation in June 2011, that of President and Chief Executive Officer of Nakheel, Public Joint Stock Company, the worldwide construction company owned by Dubai World. In addition to his position at Infinity World Development Corporation, O'Donnell currently holds management positions with the following Dubai World subsidiaries:

- Infinity World Investments LLC 08/2007 - Present
- Infinity World Cayman Holdings 08/2007 – Present

- Infinity World Holdings LLC 10/2007 – Present
- Nakheel Marine Group 07/2008 – Present
- Infinity World Holdings, Ltd. 11/2010 – Present

O'Donnell has also been employed since August 2012, as a Group Director for Al-Futtaim Group Real Estate LLC, a company located in Dubai, but outside of Dubai World's ownership.

Prior to being employed by Dubai World, O'Donnell resided in Australia and worked for the following companies:

- Investa Property Group 12/2000 – 06/2006
- Westpac Banking Corporation 08/1998 – 12/2000
- Leighton Property Fund Mgt. 08/1997 – 08/1998
- Capital Property Trust 12/1996 – 07/1997
- Capital Property Group 04/1995 – 11/1996
- Civil & Civic Ltd. 11/1989 – 12/1991

Employment was confirmed through public records, documents provided by the applicant, tax returns and other sources.

3. Criminal Record

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4. Education

O'Donnell disclosed and research verified that he attended The Wellington Polytechnic Institute in Wellington, New Zealand, where he received a Certificate in Building in December 1978. He also disclosed and research verified that he received a Diploma of Business from The Canberra Institute of Technology in May 1998.

5. Professional and Gaming Licenses

O'Donnell indicated on his PHDF that in the past he had been a licensed real estate agent in Australia. Research determined that only records of current licenses are maintained and no details of those licenses were available for inspection. There was no indication that there were any issues concerning those licenses.

O'Donnell disclosed that he has applied for qualification in various gaming jurisdictions, which could include US, tribal and/or international jurisdictions. The Investigators requested verification of certain US non-tribal licenses from the appropriate regulatory agencies as noted in the Scope and Methodology section of this report. The results of those inquiries, which verified the applicant's disclosure, have been received and no negative or derogatory information is noted.

6. Directorships and Stockholdings

Research of available Dun and Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports and assorted company records did not reveal any current directorships for O'Donnell other than those associated with Dubai World and his personally held companies. This is consistent with the information disclosed by O'Donnell in his PHDF.

O'Donnell disclosed that he owns a minimum of 5 percent in the following business entities:

- Chris O'Donnell Real Estate Consultancy, Ltd. (██████████)
- C&L O'Donnell Holdings Pty. Ltd. (██████████)

Chris O'Donnell Real Estate Consultancy, Ltd., is currently inactive, but still maintains bank accounts in Hong Kong. C&L O'Donnell Holdings, Pty. Ltd. is a real estate holding company he owns with his former spouse. Research verified this information. O'Donnell's business interests are discussed in greater detail in the Financial Suitability section of this report.

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States, Australia and Dubai has revealed one record personally naming O'Donnell.

Dubai World Special Tribunal, Dubai, UAE

Case Name: O'Donnell vs. Nakheel, PJSC

Case Number: DWT – 035-2011

Plaintiff: Christopher O'Donnell

Defendant: Nakheel, PJSC

Date Filed: 6/22/2011

Nature: Breach of Contract

Date of Disposition: 2/09/2012

Disposition: Judgment in favor of O'Donnell

This case involves O'Donnell's claim that Nakheel breached his employment contract as President and Chief Executive Officer by failing to pay him certain bonuses and entitlements after his contract expired in June 2011 and he left employment with the company. In February 2012, judgment was rendered in favor of O'Donnell, who was awarded \$3.7 million.

8. Bankruptcy

[REDACTED]

9. Property Ownership

[REDACTED]

10. Financial Suitability Evaluation

[Redacted]

Income Analysis

[Redacted]

Net Worth Analysis

[Redacted]

Assets

[Redacted]

[Redacted text block]

[Redacted text block]

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[Redacted text block]

[Redacted text block]

[Redacted text block]

The above-named references were contacted and queried regarding the character and integrity of O'Donnell. All three references indicated that O'Donnell was of the highest character and integrity. [REDACTED]

[REDACTED] No derogatory information was developed which would preclude O'Donnell from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did not reveal any derogatory or adverse items relative to O'Donnell. He is mentioned numerous times on the Internet, however no adverse information was found regarding this individual.

15. Conclusion

Based on the investigation there were no known facts that would disqualify O'Donnell based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

E. William Warwick Grounds

The investigation of William Grounds, President, Chief Operating Officer and Director of Infinity World Development and MGM Resorts International, did not reveal any derogatory information that would impact on his suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier's Name and Verified Information

Research of available online public records and documents provided by Grounds verified the following information:

Name: William Warwick Grounds

[REDACTED]

2. Employment History

Research confirmed that since April 2008 Grounds has been employed as President, Chief Operating Officer and Director of Infinity World Development, Las Vegas, NV. He also held the position of Director with affiliated Dubai World company CityCenter Holdings LLC, in Las Vegas. Since February 2013 he has served as a member of the MGM Resorts International Board of Directors.

Grounds was previously employed by the following companies:

- MFS Ltd. 6/2007 – 3/2008
- Investa Property Group 4/2002 – 5/2008
- Civil & Civic, Ltd. 3/1988 – 4/2002

Employment was confirmed through public records, documents provided by the qualifier, tax returns and other sources.

3. Criminal Record

[REDACTED]

4. Education

Grounds disclosed and research verified that between 1973 and 1977, he attended Gymea TAFE in Gymea and St. George TAFE in Kogarah, both technical schools in New South Wales, Australia, where he received an Associate Certificate in Carpentry in December 1976 from Gymea and an Associate Certificate in Building from St. George in December 1977.

5. Professional and Gaming Licenses

Grounds indicated that he formerly possessed a Builders License in Australia from 1979-1983. Local investigators in Australia advised that they were not able to find any record of the subject holding any professional licenses, however, this is likely due to the fact that the license in question has long been expired.

Grounds disclosed that he has applied for qualification in various gaming jurisdictions, which could include US, tribal and/or international jurisdictions. The Investigators requested verification of certain US non-tribal licenses from the appropriate regulatory agencies as noted in the Scope and Methodology section of this report. The results of those inquiries, which verified the applicant's disclosure, have been received and no negative or derogatory information is noted.

6. Directorships and Stockholdings

Research of available Dun and Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports and assorted company records revealed the following current directorships and employment for Grounds other than those associated with his employment at Infinity World which are listed above.

- Grand Avenue LA Owner LLC, New York, NY
- Meudon Pty. Ltd., Elizabeth Bay, NSW, Australia
- PH Hotel Sydney, Ltd., Southport, Queensland, Australia

Grounds disclosed that he owns a minimum of 5 percent in the following business entities:

- Meudon Pty. Ltd., Apartment co-op [REDACTED], Elizabeth Bay, NSW, Australia

Research verified this information. Grounds's business interests are discussed in greater detail in the Financial Suitability section of this report.

7. Civil Litigation Records

Ground indicated on his PHDF and research verified that he had not been party to any legal action.

8. Bankruptcy

[REDACTED]

9. Property Ownership

[REDACTED]

[Redacted]

[Redacted]

[Redacted]

10. Financial Suitability Evaluation

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Income Analysis

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Net Worth Analysis

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Liabilities

[Redacted]

[Redacted]

[Redacted]

Conclusion as to Financial Suitability

We have uncovered no information suggesting that Grounds does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

The investigation has confirmed that Grounds has not made any prohibitive political contributions in Massachusetts that violate MGL c.23K s.46 or 205 CMR 108.00

12. Significant Investigative Issues

None.

13. References

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

The above-named references were contacted and queried regarding the character and integrity of Grounds. All three references indicated that Grounds was of the highest character and integrity. [REDACTED]

[REDACTED]

[REDACTED] No derogatory information was developed which would preclude Grounds from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did not reveal any derogatory or adverse items relative to Grounds. He is mentioned numerous times on the Internet, however no adverse information was found regarding this individual.

15. Conclusion

Based on the investigation there were no known facts that would disqualify Grounds based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

F. Stephan Alexander DuCharme

The investigation of Stephan A. DuCharme, sole Member of the Dubai World Compliance Committee, did not reveal any derogatory information that would impact on his suitability for licensure with the Massachusetts Gaming Commission.

1. Qualifier's Name and Verified Information

Research of available online public records and documents provided by DuCharme verified the following information:

Name: Stephan Alexander DuCharme

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Employment History

Research confirmed that DuCharme, a former Chairman of the Nevada Gaming Control Board, is currently employed as a Consultant/Compliance Committee Member by several gaming related companies as indicated below.

- Dubai World/Infinity World, Independent Member/Compliance Committee 10/2012 – present
- BMM Compliance, Chairman/Compliance Committee, 7/2011 – present
- Hard Rock Hotel & Casino (Las Vegas), Member/Compliance Committee, 7/2008 – present
- Pokagon Band Gaming Commission, Chairman/Compliance Committee, 5/2007 – present
- Oaktree Capital Management, Member/Compliance Committee, 5/2007 – present

- AC&EP (Goldman Sachs & Co.), Special Compliance Officer, 5/2007 – present
- Isle of Capri Casinos Inc., Member/Compliance Committee, 2/2004 – present
- Penn National Gaming, Chairman/Compliance Committee, 10/2002 – present¹¹
- WMS Gaming Inc., Chairman/Compliance Committee, 1/2002 – present

DuCharme was previously employed at:

- Exber Inc., Chairman/ Compliance Committee, 6/2002 – 1/2009
- St. Regis Mohawk Tribe, Gaming Commissioner, 8/2002 – 1/2006
- Delaware North, Consultant, 8/2003 – 2/2005
- Horseshoe Entertainment, Director, 1/2003 – 7/2004
- Vestin Group Inc., Director, 7/2001 – 8/2003
- Nevada Gaming Control Board, Member/Chairman, 1/1991 – 1/2001
- Las Vegas Metropolitan Police, Lieutenant, 8/1970 – 12/1990

Employment was confirmed through public records sources, documents provided by the qualifier, tax returns and other sources.

3. Criminal Record

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

¹¹ We observe that DuCharme provides services to two entities that competed for the same Western Massachusetts Category 1 gaming license.

4. Education

DuCharme disclosed and research verified that DuCharme attended the University of Nevada, Las Vegas, where he received a Bachelor of Arts degree in Criminal Justice in 1990.

5. Professional and Gaming Licenses

DuCharme did not disclose any non-gaming professional licenses in his PHDF and research did not reveal any such licenses for DuCharme.

DuCharme disclosed that he has applied for qualification in various gaming jurisdictions, which could include US, tribal and/or international jurisdictions. The Investigators requested verification of certain US non-tribal licenses from the appropriate regulatory agencies as noted in the Scope and Methodology section of this report. The results of those inquiries, which verified the applicant's disclosure, have been received and no negative or derogatory information is noted.

6. Directorships and Stockholdings

Research of available Dun and Bradstreet business filings, Secretary of State Records, Experian Business Reports, Hoover's Company Reports and assorted company records has revealed the following business affiliations for DuCharme:

- Nevada Treatment Center (non-profit) -Trustee 4/1990 – Present
- Girl Scouts of Frontier Council – Director 4/2002 – 4/2004
- Vestin Group Inc. - Director 7/2001 – 9/2003

This is consistent with the information disclosed by DuCharme in his PHDF.

DuCharme disclosed that he does not own a minimum of 5 percent in any business entity.

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC Filings in the United States has revealed the following records personally naming DuCharme.

District Court, Las Vegas, NV.

Case Title: Steve DuCharme vs. Fatima Enriquez

Case Number: 01A432753

Filed: 4/2/2001

Case Type: Negligence-Auto

Plaintiff: Steve DuCharme

Defendant: Fatima Enriquez

Disposition: Dismissed with Prejudice 1/14/2002

DuCharme did not list this case on his PHDF. This matter was discussed with him and he indicated that, to his knowledge, he was never involved in any lawsuit and has no recollection of being involved in a traffic accident with the defendant or anyone else. Due to the unavailability of associated case filings, no additional information concerning this case was available.

8. Bankruptcy

[REDACTED]

9. Property Ownership

[REDACTED]

10. Financial Suitability Evaluation

[REDACTED]

Income Analysis

[REDACTED]

Net Worth Analysis

[REDACTED]

Assets

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Liabilities

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Conclusion as to Financial Suitability

We have uncovered no information suggesting that the DuCharme does not possess the financial integrity and responsibility as it relates to financial stability.

11. Political Contributions

The investigation has also confirmed that DuCharme has not made any prohibitive political contributions in Massachusetts that violate MGL c.23K s.46 or 205 CMR 108.00

12. Significant Investigative Issues

None.

13. References

- William Bible, [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

The above-named references were contacted and queried regarding the character and integrity of DuCharme. All three references indicated that DuCharme was of the highest character and integrity. [REDACTED]

[REDACTED] No derogatory information was developed which would preclude DuCharme from being licensed by the Massachusetts Gaming Commission.

14. Media Coverage

Research of available online and print media sources did not reveal any derogatory or adverse items relative to DuCharme. He is mentioned numerous times on the Internet, however no adverse information was found regarding this individual.

15. Conclusion

Based on the investigation there were no known facts that would disqualify DuCharme based on any of the criteria listed in the gaming laws or regulations in Massachusetts.

VI. Areas of Concern

The investigation revealed no significant issues that may impact upon a finding of suitability for Dubai World, its related entities, and natural person qualifiers.

Exhibits

The following exhibits are attached to this report:

- Exhibit 1 Blue Tarp reDevelopment LLC Organizational Chart
- Exhibit 2 Dubai World Organizational Chart
- Exhibit 3 Infinity World Structure and Board, April 2013
- Exhibit 4 Dubai World and Subsidiaries Consolidated Statement of Income, 2011 and 2010
- Exhibit 5 Dubai World and Subsidiaries Consolidated Statement of Cash Flows, 2011 and 2010
- Exhibit 6 Dubai World and Subsidiaries Notes to Consolidated Financial Statements
- Exhibit 7 Dubai World and Subsidiaries Consolidated Statement of Financial Position, 2011 and 2010

Exhibit 1

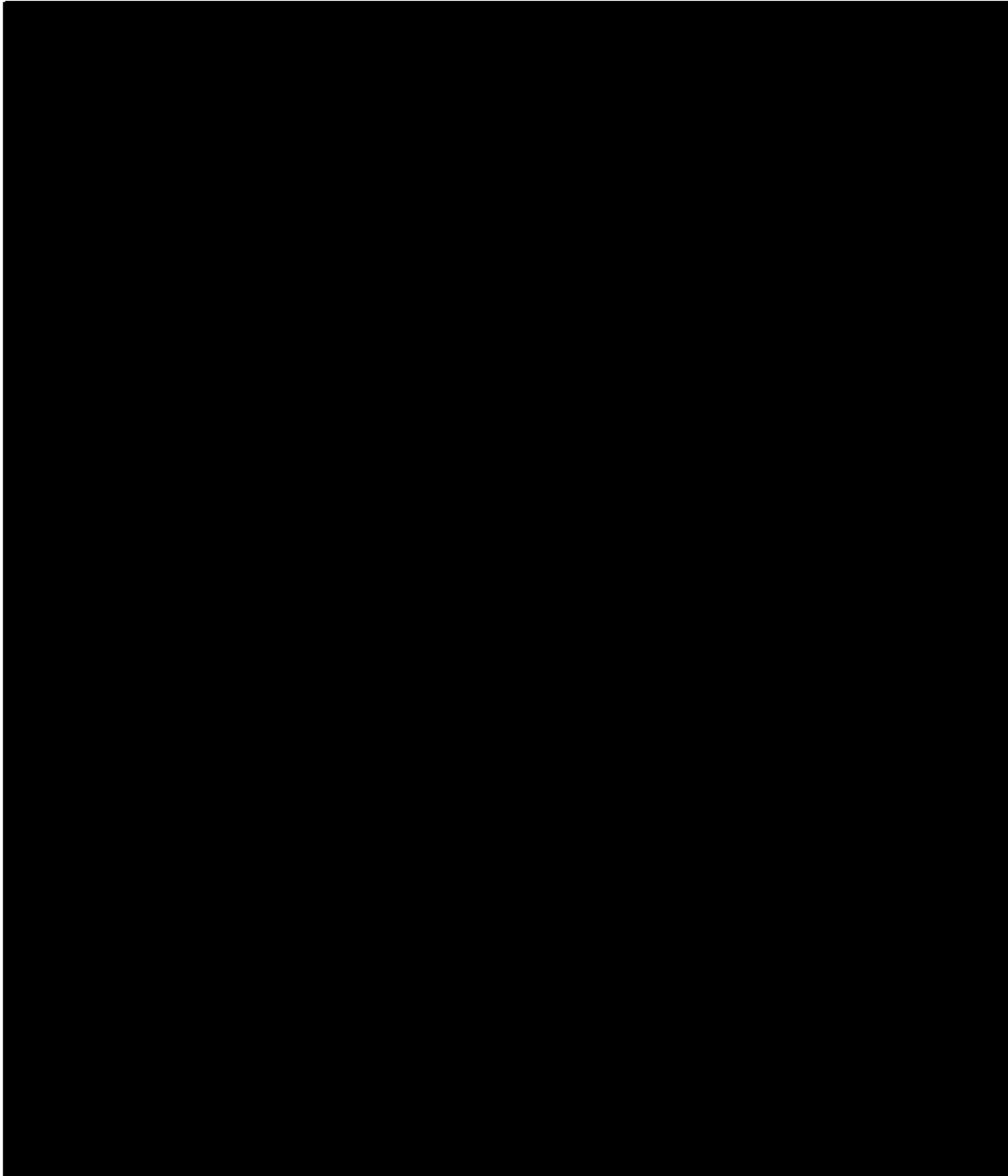


Exhibit 2

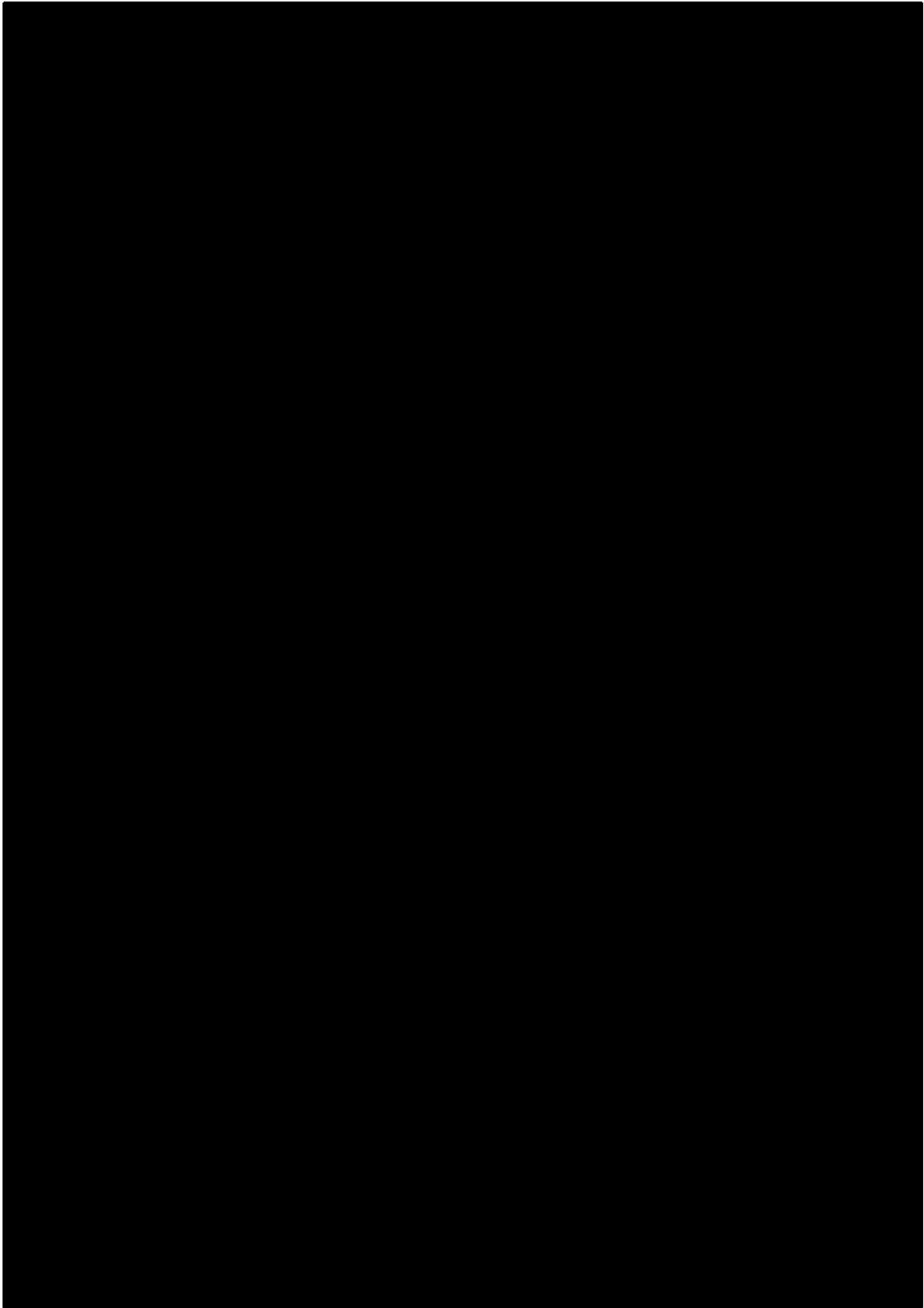


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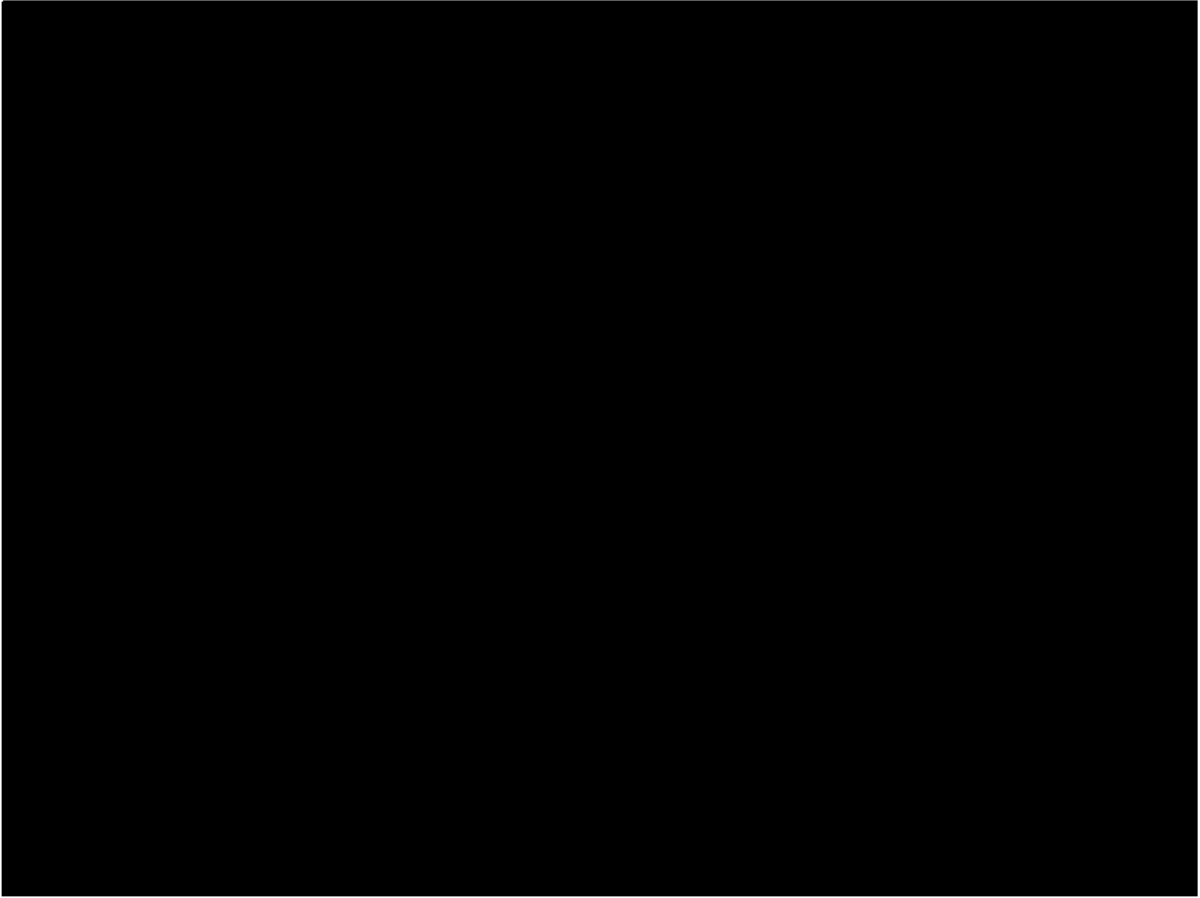


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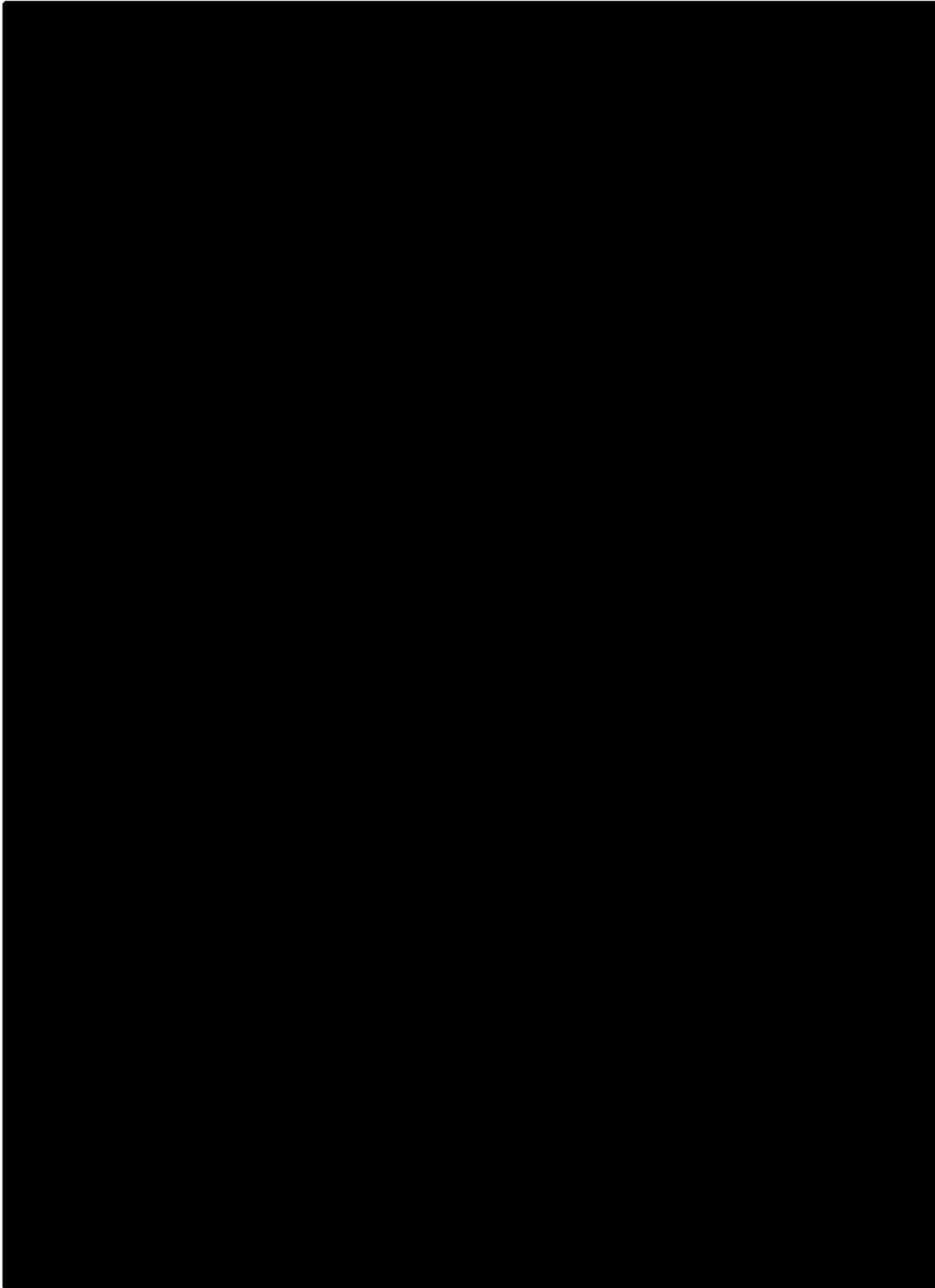


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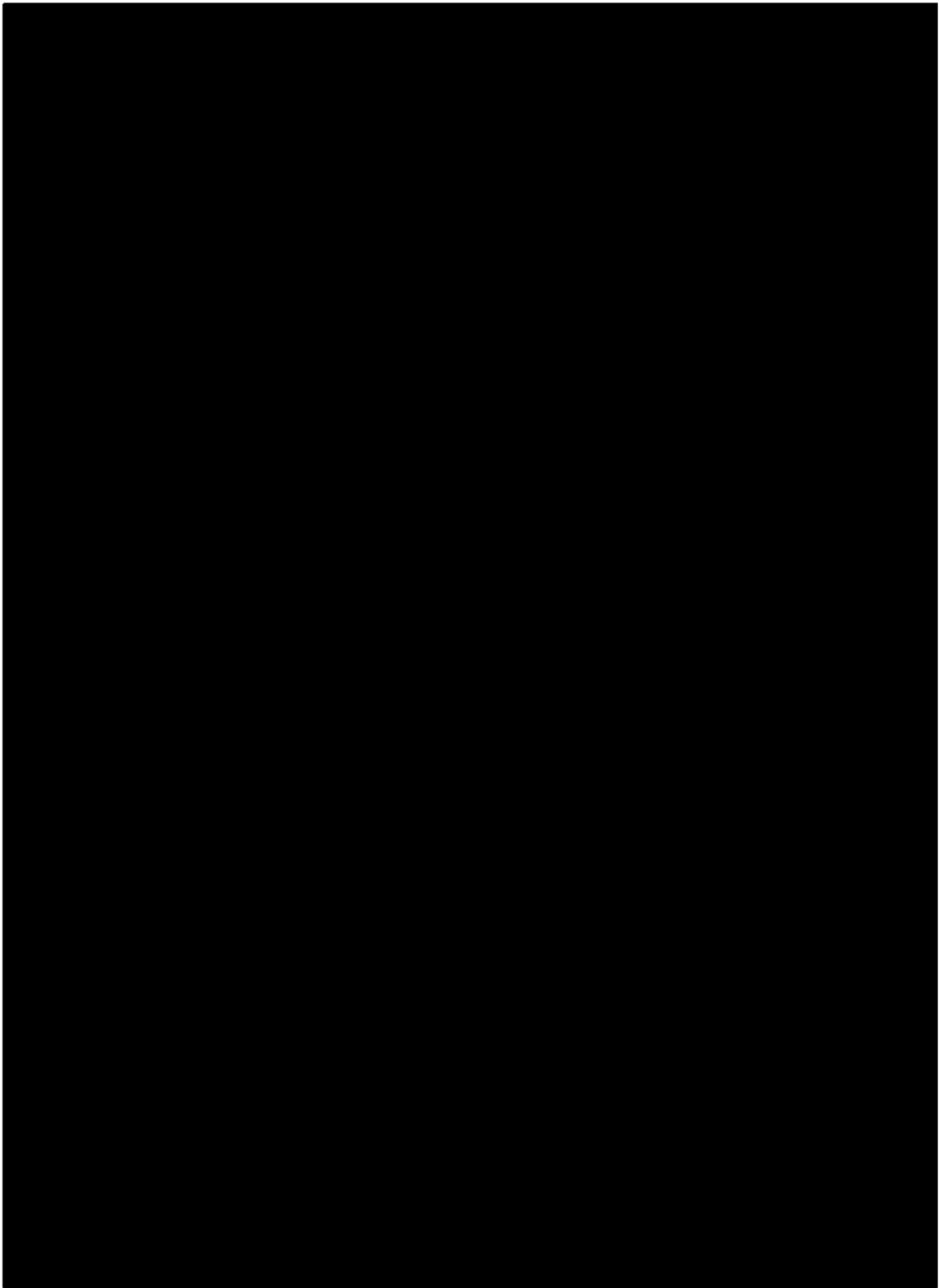


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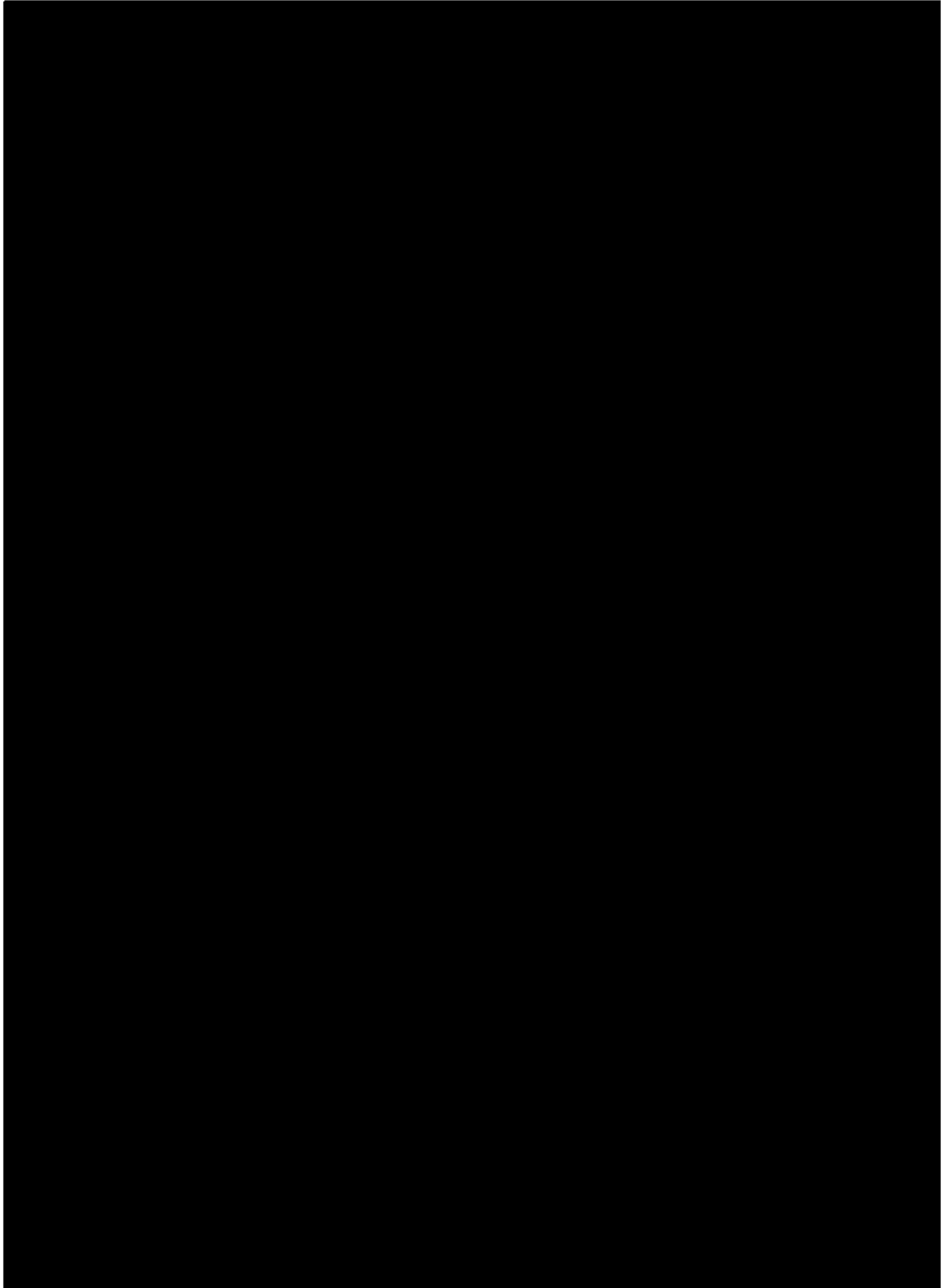


Exhibit 7

