

COMMONWEALTH OF MASSACHUSETTS

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Re: Adjudicatory hearing *

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HEARING HELD BEFORE:

THE MASS GAMING COMMISSION

101 Federal Street, 12th Floor

Boston, Massachusetts

April 27, 2018 9:59 - 11:42 a.m.

Present: (Commissioners)

Gayle Cameron

Eileen O'Brien

Stephen P. Crosby, Chairman

Enrique Zuniga

Bruce Stebbins

Jessica M. DeSantis

Court Reporter

1 MR. CROSBY: Good morning. Today is
2 Friday, April 27, 2018. This is an adjudicatory
3 hearing before the Massachusetts Gaming
4 Commission. My name is Steve Crosby. I'm the
5 chair of the commission. I'm joined here today
6 by my colleagues, from my right to left,
7 Commissioners Gayle Cameron, Eileen O'Brien,
8 Enrique Zuniga, and Bruce Stebbins.

9 The entire commission will
10 collectively provide -- preside over this
11 hearing. We have many members of the media here
12 today. I wanted to take a moment and express the
13 gaming commissions sympathy to all of you for the
14 recent and unexpected loss of your esteemed
15 colleague, Lana Jones, of WZB news radio. Lana
16 will be fondly remembered for her kindness, her
17 professionalism and her extraordinary
18 contributions. She's worked with many of us for
19 a long long. We've left an open seat for her
20 today in honor of her memory.

21 The purpose of the hearing today is
22 to determine whether Stephen A. Wynn remains a
23 qualifier under Massachusetts law relative to

1 Wynn Resorts, Limited; Wynn Massachusetts, LLC,
2 and all affiliates.

3 By way of background, as part of the
4 initial casino licensing process, the commission
5 determined which individuals and entities would
6 be required to participate in our background
7 investigation to determine whether they were
8 suitable to be associated with a casino. Those
9 individuals and entities are referred to by us as
10 qualifiers. Based on his association at the time
11 with Wynn Resorts, Limited, and its Massachusetts
12 affiliate Mr. Wynn was designated as a qualifier
13 as part of that process, which we referred to as
14 our RFA1 process.

15 Given the change in circumstances,
16 this hearing has been convened to determine
17 whether Mr. Wynn remains a qualifier.

18 Before I outline the process that
19 this hearing will follow I'd like to clarify the
20 scope of this hearing. The hearing will be
21 limited to the question of whether or not
22 Mr. Wynn is still a qualifier. The hearing is
23 not a form for the commission to consider Mr.

1 Wynn's suitability, nor is it a vehicle to
2 address the suitability of Wynn Resorts, Limited;
3 Wynn Mass, LLC., or any other qualifier. As
4 appropriate, those issues will be reviewed in
5 separate proceedings.

6 Nothing we have done or said prior
7 to this time suggests any outcome or any
8 predisposition for the outcome of those issues or
9 those proceedings.

10 With that in mind, this hearing will
11 proceed as follows. First, we will ask our legal
12 counsel to discuss the law that governs the
13 matters before us. Next, counsel for Wynn
14 Resorts will be offered an opportunity to present
15 evidence as to why he believes Mr. Wynn is no
16 longer a qualifier. They will be expected to
17 address each of the topics raised in the hearing
18 notice, including the specific issues outlined in
19 Addendum A. This may be done via the submission
20 of documentary evidence, witness testimony or a
21 combination of the two.

22 Any commissioner may, of course, ask
23 a question of counsel or any witness at any time.

1 At the conclusion of Wynn Resorts
2 presentation, we will ask counsel for Mr. Wynn to
3 present evidence on behalf of Mr. Wynn addressing
4 the issues presented.

5 At the conclusion of both
6 presentations we will offer an opportunity to
7 present brief closing comments. At that point
8 the commission will adjourn the proceedings and
9 gather privately, as we have in all such other
10 situations, with our legal counsel to deliberate
11 over this matter and reach a conclusion. A
12 written opinion reflecting the decision will be
13 issued shortly thereafter.

14 As a preliminary matter, we'll mark
15 three items as evidence in this hearing. First,
16 the hearing notice, which was sent to counsel for
17 Wynn Resorts and Mr. Wynn will be marked as
18 Exhibit 1.

19 Next, the record will reflect that
20 Wynn Resorts and Mr. Wynn each submitted a brief
21 outlining their respective positions. We will
22 mark the brief, including all attachments
23 submitted by Wynn Resorts as Exhibit 2, and the

1 brief from Mr. Wynn as Exhibit 3.

2 Do any of the commissioners have any
3 opening remarks or questions?

4 MS. CAMERON: I think you covered
5 everything, Mr. Chair.

6 MR. CROSBY: Thank you.

7 Do either of the petitioners have
8 any objections or other preliminary matters to
9 address before we begin?

10 MR. DIGIACAMO: No objections.

11 MR. CROSBY: Okay. I will now have
12 our stenographer swear in our guests.

13 MR. GROSSMAN: We just ask -- good
14 morning. We just ask that any individual who
15 plans on testifying at this hearing, please rise
16 and raise your right hand.

17

18

19 (All witnesses sworn)

20

21 MR. CROSBY: With that, we'll
22 invite our legal counsel to begin by presenting
23 the law that governs the present matter.

1 MR. GROSSMAN: Thank you. And good
2 morning, Mr. Chairman, and the commissioners. I
3 would like to provide an overview of the law
4 governing the designation of qualifiers. The
5 principals of such designation are probably
6 fairly well understood, but to ensure a uniform
7 understanding by all here today I'll run through
8 some of the key aspects of the law as it applies
9 to this proceeding.

10 The law governing the designation of
11 qualifiers is primarily from two sources. The
12 first are the general laws, Chapter 23(k), and
13 we'll go through those momentarily.

14 The second source of law is from the
15 commissions regulations, primarily section
16 116.02. Both areas of the law essentially
17 provide for the same requirements. So, for
18 clarity sake here at this hearing today, and I'll
19 just run through the requirements in Chapter
20 23(k). They apply to particularly three sections
21 of Chapter 23(k) in sections 4, 13, and 14, and
22 we'll get into the specifics momentarily.

23 As we know, the singular issue to be

1 addressed by this proceeding is whether Steve
2 Wynn meets the legal requirements to be
3 designated as a qualifier. So, I'll focus on
4 those rules that apply specifically to the
5 designation of an individual qualifier as opposed
6 to an entity qualifier.

7 Before I get to the specific
8 classifications I would just like to note one
9 important distinction that the law draws. And
10 that essentially is that there are two classes of
11 qualifiers. There are mandatory qualifiers and
12 discretionary qualifiers. And as the name
13 suggests, if someone falls into the category of a
14 mandatory qualifier the laws they must be
15 designated by the commission as a qualifier.

16 If they fall into the category of a
17 discretionary qualifier, the law, of course,
18 allows the commission to make the determination
19 as to whether such designation is necessary to
20 achieve the principals that are driving the
21 gaming law or not.

22 So, with that, I'll note that in the
23 memorandum that's been circulated already, we ran

1 through all of the particular categories and
2 classes of qualifiers. So, I'm not going to read
3 them here right now. But, instead, I'll just
4 identify the specific questions and inquiries
5 that the law suggests that we ask as part of this
6 proceeding, and we'll break it up, as discussed,
7 into the two categories, mandatory and
8 discretionary.

9 The first, under the mandatory
10 category, there are six inquiries that the law
11 says we need to ask as they apply here. The
12 first is whether Steve Wynn has a financial
13 interest in the gaming establishment. And for
14 purposes of clarity, the gaming establishment,
15 when referred to, means the actual building,
16 structure, and premises presently being
17 constructed in Everett, as opposed to No. 2,
18 which is whether Steve Wynn has a financial
19 interest in the business of Wynn Mass, LLC.

20 Wynn Mass, LLC., is, of course, the
21 actual entity that was awarded a gaming license
22 by this commission.

23 No. 3 is whether Steve Wynn is a

1 close associate of Wynn Mass, LLC. The term
2 close associate is actually defined in the law in
3 Section 2 of Chapter 23(k). And the definition
4 was laid out in the memorandum, and we can get
5 into that a little bit later, if need be.

6 No. 4 is whether Steve Wynn is
7 involved in the financing of the gaming
8 establishment.

9 No. 5, whether Steve Wynn can
10 exercise control and provide direction to Wynn
11 Mass, LLC.

12 And, No. 6, related to No. 5,
13 whether Steve Wynn can exercise control or
14 provide direction to a holding, intermediary or
15 subsidiary company of Wynn Mass, LLC.

16 In the present situation, Wynn
17 Resorts, limited, is the holding company for Wynn
18 Mass, LLC. Accordingly, this particular
19 provision that I just mentioned, No. 6,
20 essentially covers all members of the board of
21 directors and all officers of Wynn Resorts,
22 Limited. They would essentially be designated as
23 qualifiers under the law as they have the ability

1 to exercise control or provide direction to the
2 company.

3 There are, of course, other ways
4 individuals could fit into this sixth category,
5 too. For example, as a shareholder who owns over
6 5% of the stock of the company, as they, too, may
7 be able to exert influence or control over the
8 company.

9 So, there is certainly some
10 discretion linked into this particular
11 qualification as well.

12 Those are the six mandatory
13 categories of qualifications. So, if Steve Wynn
14 falls into anyone of those six, the law says that
15 the commission shall designate him as a
16 qualifier.

17 In contrast, we have the
18 discretionary qualifiers. And for purposes of
19 these proceedings there is one inquiry that the
20 statute says we shall make. And that is set out
21 in Section 4, paragraph 11 of Chapter 23(k). And
22 it says that the question is whether Steve Wynn
23 has a business association of any kind with the

1 gaming licensee. And, unlike close associate,
2 the term business association is not itself
3 defined. But what we do know, though, is that
4 the association should be of a quality and nature
5 such that one's designation as a qualifier will
6 in some way advance the paramount policy
7 objectives of the gaming law by ensuring the
8 strict oversight of the gaming licensee.

9 Since this is a discretionary
10 category, the commission need not designate
11 everyone who has any business association with
12 the casino, however small, as a qualifier. There
13 are certainly other vehicles in the law that may
14 be used to address these types of associations.

15 So, those are all of the applicable
16 categories of qualifiers that are at play here
17 today. This hearing, then, is intended to
18 provide the commission with the opportunity to
19 gather the facts necessary to determine whether
20 Steve Wynn presently falls into anyone of those
21 aforementioned categories.

22 Some categories are, by their
23 nature, more black and white than others. For

1 example, the petitioners have submitted documents
2 purporting to demonstrate that Mr. Wynn is no
3 longer an officer or director of Wynn Resorts.
4 If you accept those filings, you may find that on
5 their face they establish those facts by
6 substantial evidence.

7 However, when it comes to
8 determining whether there is an existing business
9 association between Mr. Wynn and Wynn Resorts,
10 there will likely not be any one piece of
11 evidence that will carry the day. To that end,
12 in the hearing notice that was served upon each
13 of the petitioners and is included in the hearing
14 packet here today that has been marked as Exhibit
15 1, the commission outlined a number of subject
16 areas that the petitioners are expected to
17 collectively address in their respective
18 presentations.

19 Evidence presented in response to
20 these areas will help answer the business
21 association, close associate, financial interest,
22 and control and direction inquiries that I
23 previously discussed. The list in the hearing

1 notice, though, is not exclusive and it's not
2 exhaustive. So, a further inquiry is certainly
3 appropriate, as necessary as part of this
4 particular proceeding.

5 In sum, a collective absence of
6 evidence that Mr. Wynn falls into any of the
7 aforementioned qualifier categories or any direct
8 evidence that he does not would tend to
9 demonstrate that he is not a qualifier. The
10 opposite is also true, though. The presence of
11 substantial evidence that Mr. Wynn does fall into
12 any one of those categories would suggest that he
13 is a qualifier. The significance of this review,
14 of course, is that if an individual is deemed a
15 qualifier, they must be found to be suitable.

16 And, with that, I'll conclude my
17 comments and just note that certainly if any
18 questions of law, whether substantive or
19 procedural relative to this hearing arise, that
20 General Counsel Blue and I are here to answer any
21 questions.

22 MR. CROSBY: Thank you very much.

23 MS. CAMERON: Thank you.

1 MR. CROSBY: I think we're ready to
2 move to the other side.

3 MS. SINATRA: Thank you, and good
4 morning.

5 My name is Kim Sinatra and I am the
6 general counsel for Wynn Resorts. Thank you for
7 having us here today on our petition to remove
8 Mr. Wynn as a qualifier from the license of Wynn,
9 Massachusetts.

10 I will have a very modest role here
11 today; which is, I'm here to answer any questions
12 that you might have. Our presentation includes
13 our new CEO Matt Maddox who will give an update
14 on the actions taken since Mr. Wynn's resignation
15 on February 6th, that the company has taken in
16 order to evidence his separation from the
17 company.

18 We will then go to Frank DiGiacamo,
19 a partner from Duane Morris and Jacqui Krum, the
20 General Counsel for Wynn Mass who will address
21 the regulatory and staff issues that have been
22 outlined in the hearing notice.

23 We have submitted a brief and some

1 documentary evidence. We will not go through
2 them in detail, but to the extent that there are
3 any questions with respect to those matters, we
4 remain available.

5 So, I'm going to turn it over to
6 Matt.

7 MR. MADDOX: Thank you. If we could
8 pull the presentation up. I really appreciate
9 the opportunity to speak here before the
10 commission. And, as Kim pointed out, what I'd
11 like to do is just walk through the last 60 days
12 to just continue to evidence the changes that
13 we've been making and the things we've been doing
14 as it relates to distancing ourselves and our
15 company from our former chairman and CEO.

16 As soon as this comes up, we'll get
17 started.

18 So, to kick it off, on February 7th
19 I became CEO of this company. It was a time of
20 crisis and people were completely unsettled.

21 And one of the first things I
22 decided to do was hold town halls with all of our
23 employees, 25,000 people, and remind them that

1 this company is not about a man. It hasn't been
2 about a man for 18 years. It's not -- Steve Wynn
3 is not of Wynn Resorts. Wynn Resorts is about
4 25,000 employees. It's about the people that
5 grow this company everyday. And we've launched
6 an internal campaign and an external campaign
7 called, We Are Wynn, that just signifies and
8 tells the world internally and externally that
9 what Wynn Resorts is is a 20 billion dollar
10 company with 25,000 employees. And that's what
11 it represents.

12 On top of those town halls talking
13 over 15,000 people in a 30-day period trying to
14 remind them that, don't be worried. We are going
15 to be strong. We are going to keep growing.
16 Your job is safe. No one is going to buy us.
17 Because right now people are nervous. You're
18 safe. This is the best job in the business.

19 On top of that, in a parallel
20 process, we realized that we had to quickly
21 distance ourselves from issues that admired the
22 company. And with -- in litigation,
23 founder-based issues, that really would never

1 allow our company to move forward.

2 So, on February 27th, I got our
3 Board of Directors together and set a strategic
4 priorities list, two weeks after I become CEO.

5 I said, the first thing I want to do
6 is get rid of the billions of dollars of
7 litigation that existed between Universal
8 Entertainment and Wynn Resorts because that
9 existed between two founders, not two companies.
10 I called Universal Entertainment in Japan, asked
11 them to meet me at a mutually-inconvenient place.
12 We met in Hawaii. In two days we were able to
13 settle a lawsuit where we thought it was worth
14 1.9 billion. They thought it was worth 6 billion
15 dollars to them. We settled for 2.4 billion
16 dollars, wiped away all claims and are in full
17 cooperation.

18 Immediately thereafter I realized
19 that if you're going to settle something for 2.4
20 billion dollars we should equitize the balance
21 sheet. Because, as you know, we are always
22 risk-averse when it come to debt. So, reached
23 out to probably one of the best known

1 conglomerate -- integrated resort operators in
2 the world, Galaxy Entertainment. They're
3 headquartered in Hong Kong. They operate in
4 Macau. They're a 40 billion dollar company.

5 And over a 30-day period, I was able
6 to work with Francis Lloyd and his team and they
7 ended up investing -- bought 5.3 million shares
8 in our company for 927 million dollars, coming in
9 as a passive shareholder and helped us
10 effectively finance the Universal litigation,
11 which continued to remove the admired past of
12 founders fighting each other so we could move on.

13 During that same period, Steve Wynn
14 and Elaine Wynn agreed to drop a lawsuit between
15 themselves about who had control over whose
16 stock, who could sell, who couldn't sell. And a
17 shareholder agreement that had locked both of
18 them up disappeared.

19 The first thing that I did was call
20 Steve Wynn. I didn't talk to him about business
21 during this period after he resigned. But I
22 called him and I said, your 12 million shares
23 need to go in strong hands for this company. We

1 can't have it dumped into the market into hedge
2 funds and create more chaos.

3 Out of 12 million shares he sold 4
4 million shares immediately through JP Morgan and
5 Jeffries into those exact hands, the market, the
6 hedge funds, et cetera. It was not -- it was a
7 really contentious day.

8 I immediately went out and found
9 Capital Research. They manage over a trillion
10 dollars. They're one of the biggest investors in
11 the world. And T. Rowe Price, probably the
12 largest investor in gaming. Worked carefully
13 with them and they agreed to take the remaining 8
14 million shares of Steve Wynn's holdings or 1.4
15 billion dollars so that the company could have
16 strong share holdings. So, we were able to
17 place, in the last 60 days, 13% of our company in
18 Galaxy Entertainment, T. Rowe Price, and Capital,
19 which is solidifying the shareholder base that's
20 going to help make decisions in the future.

21 So, on top of that, I've been really
22 proud of what our board has been able to do. If
23 you look at the last 60 days, and then you go

1 back and you think about -- and look at all
2 companies that have gone through board
3 refreshment. In 60 days we've had four board
4 members resign or say they're not running. And
5 we've refreshed our board with three new diverse
6 female directors. GE, as you know, who's
7 headquartered here, has gone through a massive
8 board refreshment. It's been almost a year that
9 they've been working on it. Gone from 18 to 12,
10 replacing people.

11 In 60 days we've had 40% change, and
12 our board has said, we're not finished. We're
13 still on the way. So, while it may feel like
14 things aren't moving fast, they're moving at
15 lightening speed. The changes we're making to
16 distance ourselves from our former chairman and CEO
17 and to focus on the future.

18 If you think about the people that
19 we brought on, just -- I'd like to make these
20 points. Betsy Atkins. If you were to look her
21 up, she has been on over 20 public company boards.
22 She's known as a corporate governance guru.
23 She's turned around multiple companies from a

1 board of directors in terms of corporate
2 governance, and she was excited to take the role.

3 Dee Dee Myers is one of the best
4 people in crisis communications, strategic
5 communications. And she is one of the right
6 hands for Keith at Warner Brothers in dealing
7 with sexual harassment, in dealing with gender
8 issues at Warner Brothers in Hollywood. She's
9 leading this effort. She wrote, Why Woman Should
10 Lead the World. She's one of the smartest people
11 that I've met. I talk to her a lot and I'm
12 really excited that she's on our board.

13 And, in fact, there is a little bit
14 of controversy about, should Dee Dee come on the
15 board because Dee Dee didn't have any public
16 company board experience. And all public
17 company -- well, public companies almost make
18 that a requirement. And I made the impassioned
19 speech to our board, that's exactly why women
20 aren't on boards. That's exactly why. Because
21 if you have that requirement you have a limited
22 pool. So, why don't we lead in this effort, why
23 don't we pick someone that's really smart, that's

1 going to be great for our company, and is
2 breaking the mold. And our board had the courage
3 to to it.

4 We also brought on Wendy Webb.
5 She's a 20-year veteran at Disney, a finance
6 expert. Ran all shareholder services for Disney
7 during that time. Was in the C suite at
8 Ticketmaster.

9 All three of these people have
10 joined our board and we are now in the top 40 of
11 the S&P 500 in terms of female representation on
12 our board of directors. And it's something that
13 I'm very proud of. It's something we've been
14 able to accomplish over the last 60 days.

15 MS. CAMERON: Mr. Maddox, if I can
16 just comment on that, please.

17 MR. MADDOX: Yes.

18 MS. CAMERON: Obviously these women
19 are amicably qualified.

20 MR. MADDOX: Yes.

21 MS. CAMERON: And you've been at a
22 high level of that company for a number of years.

23 MR. MADDOX: Yes.

1 MS. CAMERON: You're amicably
2 qualified two years ago, five years ago.

3 MR. MADDOX: Yes.

4 MS. CAMERON: And just can't -- I
5 just have to make the point that there is an
6 issue around women and now women are more
7 valuable to the board.

8 I see what you're doing, but, you
9 know, it just seems to me that the company, as a
10 whole, didn't value women until they got in
11 trouble at the board level.

12 MR. MADDOX: Commissioner Cameron,
13 maybe it's because there is new leadership. I'm
14 a 42-year-old man. I have a 12-year-old
15 daughter. I have a 10-year-old daughter, and I
16 have a 10-year-old son. And if you think for one
17 second that I want my 10-year-old son to have any
18 additional benefits or any -- or have a better
19 environment in the work place than my 12-year-old
20 daughter and my 10-year-old daughter then that's
21 not true.

22 I am part of the generation that
23 believes this. I'm part of the generation that's

1 driving this. And, so, I don't think it's
2 anything about what the company did do or didn't
3 do. I think crisis sometimes creates
4 opportunity. You can either let crisis drag you
5 down or you can take it and make something great
6 out of it, and that's what we're doing. That's
7 what I'm committed to do.

8 Also, not just the strategic moves
9 that we've made in terms of financial distancing
10 ourself from Mr. Wynn, we've also launched a full
11 cultural and diversity department led by Brinn
12 Quimitt. (Phonetic) And she is known as one of
13 the top leadership development people in the
14 country. She has a full staff. We've already
15 rolled out leadership development programs. We
16 have a womens leadership form that's going to be
17 hosted next month. We've rolled out our Wynn's
18 Resorts Back of House campaign.

19 And here is what I believe. The
20 only way to really understand what's going on is
21 you have to give set benchmarks. Starting
22 Monday, the Fortune 100 Greatest Companies to
23 Work For are coming in and surveying every one of

1 our people, on a confidential basis.

2 Confidential. They don't have to put their
3 employee number in. Every one of our people.
4 And they're going to answer 60 questions, and a
5 lot of them relate to the issues that we're
6 talking about today.

7 And then we've also brought in --

8 MR. CROSBY: All 25,000 employees?

9 MR. MADDOX: All 12,000 employees.
10 We're launching it in North America only.

11 So, the 13,000 people in Macau, it
12 doesn't translate across culturally. They have a
13 different process that they're going to do. But
14 we're doing it there, too.

15 We've also brought in Mercer for --
16 who is the best in gender-pay equality. They are
17 launching a full study on those. And we're going
18 to take those results, whatever they are, and
19 we're going to be transparent about them and
20 we're going to improve on them. It's the only
21 way you improve.

22 So, the things that we've done over
23 the last 60 days, I think, are showing how

1 quickly we are moving into the future and how
2 we're continuing to think about, we're going to
3 lead this industry. I'm committed to lead this
4 industry on these types of issues, not just on
5 service, not just on great product, not just
6 being five star. We're going to lead in gender
7 equality. We're going to lead in diversity.
8 It's something that I'm committed to. And we
9 have already reprogrammed all of our sexual
10 harassment training. We've realized, actually,
11 that having employees provide sexual harassment
12 training, it's, actually, a little bit
13 uncomfortable for people. And, so, we're
14 bringing in a third party, a couple third parties
15 to review how you do it to make it very formal
16 and to work through everything.

17 So, while I think we were doing
18 industry standard before, we're going to leapfrog
19 the industry in these issues because it's
20 important. And we are going to have this done in
21 the next 90 days.

22 MS. CAMERON: Mr. Maddox, I assume
23 the training will include the fact that it should

1 apply to everyone in the company?

2 MR. MADDOX: Absolutely. Top down.

3 MS. CAMERON: Because the policy is
4 only as good as the implementation.

5 MR. MADDOX: Starts with me right at
6 the top. These are things I'm leading on it. I
7 have employee communication April 6th, I wrote a
8 letter to all employees. It's posted all over
9 the Back of House with We Are Wynn signs that
10 talks about this. That talks about how important
11 it is to me and how we are taking this seriously.
12 These aren't issues that you're defensive about.
13 These are issues that you look at and say we can
14 be better and we're going to be better. We're
15 not defensive. I think we were fine in the past.
16 That's not the point. How can we do better? We
17 are doing things right now to lead this industry.

18 So, one quick thing I'd like to do
19 is if we could just put a video up. The reason
20 this is important is because I don't want people
21 to think Wynn, the name, is associated with a
22 man. Yes, it's a man's last name, but it is a
23 brand that customers come to respect.

1 In fact, we poled hundreds and
2 hundreds and hundreds of customers checking into
3 our hotel, into Wynn. 60% of them that we poled
4 had never heard of Steve Wynn or any allegations.
5 60% of people checking into Wynn.

6 40% of the people had heard of him
7 and had heard of allegations. And, of that, 90%
8 of the 40% or, let's say, 36% of those said, we
9 love the property, we love the service, we love
10 the food, all the things they love. We actually
11 don't care who's running it. That doesn't mean
12 anything to us.

13 4% out of everybody that we poled
14 said, this -- what we've read about could
15 influence our decisions in the future.

16 So, I'm only giving you that as
17 context that the reason that we are continuing to
18 talk about our brand is because, two things. 1,
19 75% of our profit comes from China. And 95% of
20 our customers over there have never heard of
21 Steve Wynn. He only went there one time last
22 year for two days. His picture is no where.
23 He's not on any TVs. He's not on any hold music.

1 We didn't embrace a cult of personality in China
2 because it was the wrong thing to do, like we did
3 in the United States.

4 And what we're doing now is
5 redefining our values and our behaviors in what
6 Wynn stands for. And that's what we're -- and
7 we're going through that process in detail and
8 we're going to instill those values in the brand.

9 And, so, if we could just play this
10 video quickly. And I only have a couple more
11 minutes.

12
13 (Video playing)

14
15 MR. MADDOX: The point of that, the
16 point of that is that is the culture of the
17 company, and that's what I'm instilling everyday
18 is the 25,000 people are Wynn Resorts.

19 If you think about what it is that
20 we stand for and what it is that these 25,000
21 people do, what we stand for are the opportunity
22 for people maybe without college educations, for
23 25,000 people that aren't high skilled to make

1 75,000 or \$100,000 a year and live the American
2 dream. You get to buy a house. You get to put
3 your kids through college. There are very few
4 businesses left in this country that do what we
5 do. And the reason we do it better than
6 everybody else is the reason that we're at the
7 top. We have the best customers. It's really
8 simple. They tip the most, which means our
9 people make the most money. And they get a
10 better life. That's what we're here to do.
11 That's what we're about and we're about change.

12 Thinking about what we're doing in
13 Everett right now. 2.5 billion dollars that
14 we're investing. We have eight -- we've hauled
15 off 840,000 tons of dirty dirt, enough to fill
16 Fenway Park. We've cleaned a site up. We have
17 1600 people working on the site everyday. 1500
18 to 1600 construction workers working on the site
19 everyday. We're going to be employing 3500 to
20 4,000 people and making a better life in a
21 hallowed-out middle class, which is existing
22 throughout the country.

23 We're very focused on doing the

1 right thing. That's what this company is about.
2 And, as CEO, I can tell you, there is no
3 association with Steve Wynn. There is no
4 business association with Steve Wynn. I'm my own
5 man. And Kim Sinatra is her own woman. We are
6 moving this company forward. We're excited to
7 move it forward. We're excited to think about
8 the future. But we're taking these issues very
9 seriously. We're not defensive. We're on
10 offense.

11 So, what I'd like to end with is,
12 the Wynn brand is strong. And I understand it.
13 And I believe in it globally. I also understand
14 the cultural sensitivity here. And we've heard
15 it loud and clear from the beginning. And, so,
16 we are -- we will use, if the commission is okay
17 with it, we'd like to propose that we change our
18 name to Encore Boston Harbor. We're ready to
19 change the wrap on the construction fencing
20 today. It's already been prepared. We're ready
21 to pass out tee-shirts, Encore Boston Harbor, to
22 all 1600 construction workers.

23 By the way, it's interesting that we

1 decided to pick this day. Today is the topping
2 off of Encore Boston Harbor. We're hosting all
3 1600 construction workers. I'll be speaking to
4 them after this meeting. We're giving them all
5 lunch on the casino floor to celebrate the
6 topping off of the largest private investment in
7 Massachusetts. It's really exciting.

8 So, what I want you all to know is
9 that we're listening. We're paying attention.
10 And we are cooperating, as best we can, with your
11 staff. And we're excited about the future.

12 With that, I think I'll turn it over
13 to Frank DiGiacamo.

14 MR. ZUNIGA: Actually, I may have a
15 clarifying question, Mr. Maddox.

16 You mentioned that survey that you
17 conducted where 40% of your clients -- it was a
18 60/40. 40% had not heard of --

19 MR. MADDOX: 60 either had not heard
20 of any allegations.

21 MR. ZUNIGA: Right.

22 MR. MADDOX: 40% had.

23 MR. ZUNIGA: Was that North American

1 clients? Are you including your Macau clients?

2 How did that break down?

3 MR. MADDOX: No. That was an
4 internal survey. We hired an outside group to
5 stand at our front desk and ask people questions.
6 So, it was people actually checking in to Wynn.

7 We've actually gone out in the field
8 with Heart and Mind. It's an extensive survey in
9 all of our key markets. They're in the field
10 right now asking all of these questions to
11 thousands and thousands of people in key markets.
12 The first survey I was referencing were actually
13 people checking in to the hotel.

14 MR. CROSBY: But only in North
15 America?

16 MR. MADDOX: Yeah, only in Wynn Las
17 Vegas. Only at Wynn Las Vegas, yup.

18 MR. ZUNIGA: You also, in the
19 materials that you included in your presentation,
20 there is this note that says the company has
21 separated the chairman and the CEO roles.

22 MR. MADDOX: Yes.

23 MR. ZUNIGA: You're the CEO.

1 Correct?

2 MR. MADDOX: I'm the CEO.

3 MR. ZUNIGA: Is that chairman
4 position filled or is it vacant?

5 MR. MADDOX: It's filled. A
6 gentleman named Boone Wayson was named chairman.

7 MR. ZUNIGA: Boone Wayson?

8 MR. MADDOX: Yes.

9 MR. ZUNIGA: And he's prior --

10 MR. MADDOX: Prior board member.

11 MR. ZUNIGA: Prior board member?

12 MR. MADDOX: Yes. Yes. I believe
13 the board thought it was important, since we are
14 a gaming company, to have a chairman of the board
15 that was a gaming executive during this refresh
16 process.

17 MR. ZUNIGA: Right.

18 MR. MADDOX: So, that's, I believe,
19 why Boone Wayson was chosen.

20 MR. ZUNIGA: Okay. There is also --
21 in your presentation you mentioned there is the
22 passive investment of Galaxy Entertainment?

23 MR. MADDOX: Yes.

1 MR. ZUNIGA: As well as 8 million
2 shares or so between T. Rowe Price and Capital
3 Research?

4 MR. MADDOX: Yes.

5 MR. ZUNIGA: Are those also passive
6 investments?

7 MR. MADDOX: They are.

8 MR. ZUNIGA: Do they envision to get
9 any further than the 5% under which they are, to
10 your knowledge?

11 MR. MADDOX: Well, Capital Research
12 and T. Rowe Price are institutional investors.

13 MR. ZUNIGA: Right.

14 MR. MADDOX: There are no
15 stand-stills or lock-up agreements or shareholder
16 agreements with any of those investors. They
17 could sell tomorrow. I just reached out to
18 Capital and T. Rowe because they're the largest
19 investors in gaming.

20 MR. ZUNIGA: Mm-hmm.

21 MR. MADDOX: So, I'm not sure what
22 their intentions are.

23 But I can tell you that Galaxy has

1 said, publicly, that they do not have intentions
2 to go above the 4.9%.

3 MR. ZUNIGA: Right. Go ahead.

4 MR. STEBBINS: Two quick questions.

5 MR. MADDOX: Sure.

6 MR. STEBBINS: One related to the
7 board. You talked about you had four board
8 members who were either planning on leaving or
9 were not running for re-election with the board.

10 You've introduced us to the three
11 new board candidates.

12 Can you tell me how many more board
13 spots you have left, to the degree you can tell
14 us about your future plans to fill those
15 remaining board seats.

16 MR. MADDOX: We -- the board of
17 directors is going through a refresh right now.
18 So, I don't -- I don't actually have an answer
19 for how many more candidates we will fill or how
20 many will come down.

21 I do expect that this summer there
22 will be additional candidates named to the board.
23 I'm not sure -- but I don't know about, you know,

1 any additional people stepping down. I'm not
2 privy to those conversations.

3 MS. SINATRA: I may be able to help
4 you on numbers.

5 So, the bylaws provide we have to
6 have between 7 and 13 board members. The board
7 has flexed in size overtime, depending on
8 retirements, additions. And, so, there isn't a
9 static number.

10 I do know that there will be
11 additional changes to the board and that this was
12 just a first step. And I think that the idea is
13 to make it an orderly transition. This is about
14 as much as a public company can take at one swat,
15 which is a 30% turnover.

16 MR. ZUNIGA: So, how many board
17 members -- I'm sorry.

18 How many do you have currently with
19 the recent additions?

20 MS. SINATRA: I think this gets us
21 at 11.

22 MR. MADDOX: Yes.

23 MR. ZUNIGA: Okay.

1 MR. STEBBINS: One other quick
2 question.

3 You pointed out a number of
4 meaningful steps you've taken to solidify and
5 promote cultural improvement.

6 To the degree you can say a number
7 of these initiatives, I would suggest, don't
8 happen overnight.

9 MR. MADDOX: Mm-hmm.

10 MR. STEBBINS: How many of these
11 initiatives, you know, have been on the back
12 burner, have been discussed previously with the
13 company? How many of them are kind of new
14 roll-outs? I mean, are a lot of these things
15 just coming to the forefront since February?

16 MR. MADDOX: No, that's interesting.

17 In 2013 I was named president with
18 the idea that I would be the eventual CEO. And
19 the concept that the board laid out was Steve
20 Wynn would retire from CEO in 2020 when his term
21 was up, but probably still remain on the board.

22 All of these events accelerated my
23 succession to the CEO role.

1 But when you are in that role you
2 keep a list of things that you would do
3 differently. Because you have to be your own
4 leader when you step in.

5 So, it wasn't that, oh, what do we
6 do right when we became -- right when I became
7 the CEO, pulled the management team together.
8 And they were familiar with the list. And we
9 said, let's get going. Here are things that
10 we've been wanting to do in the past, here are
11 things that we have talked about extensively.
12 Now it's time to make these things happen.

13 MR. STEBBINS: Thank you.

14 MR. MADDOX: Sure.

15 MR. CROSBY: Mr. Maddox, what is the
16 organization that's doing this big 12,000 person
17 survey?

18 MR. MADDOX: Fortune.

19 MR. CROSBY: The company is called
20 Fortune.

21 MR. MADDOX: Yeah. The Fortune
22 magazine.

23 MR. CROSBY: Oh, the magazine.

1 Okay.

2 MR. MADDOX: They put out -- it's
3 probably the most popular survey nationwide.
4 You've seen it branded, I'm sure. 100 Greatest
5 Places to Work.

6 MR. CROSBY: Oh, oh. Yes, right. I
7 didn't know they interview all 12,000.

8 MR. MADDOX: Well, all 12,000 people
9 have the opportunity. They come in. It's
10 on-line. It's 60 questions. We added 15, which
11 are all sort of related to the issues that we're
12 talking about today. But there are 60 standard
13 questions. And then we encourage as many
14 employees as possible to take that survey. It
15 doesn't mean everybody is forced. It's not
16 mandatory. But I expect really high turn out.

17 MR. CROSBY: Will we be able to see
18 the unexpurgated results of that?

19 MR. MADDOX: Sure.

20 MR. CROSBY: That would be
21 interesting.

22 MR. MADDOX: Sure.

23 MR. CROSBY: Anybody else?

1 MR. BEDROSIAN: Mr. Chairman, may I
2 ask one question?

3 MR. CROSBY: Sure.

4 MR. BEDROSIAN: Mr. Maddox, you've
5 talked about -- and I think I saw you on Squawk
6 Box earlier this week. That you have had some
7 contact with Mr. Wynn since his separation from
8 the company. Is the correct?

9 MR. MADDOX: Yes.

10 MR. BEDROSIAN: Could you just
11 describe to the commission since the separation
12 the approximate number of times, the nature of
13 the contact, and when the last contact was?

14 MR. MADDOX: There was significant
15 contact between the day he resigned and the day
16 we signed his severance agreement. Because every
17 -- we had to really work through his entire life
18 that was built into the company, what was his and
19 what was the companies. So, significant
20 communication as to fair value of couches,
21 chairs, can't go in the plane.

22 So, lots from the 6th to the 15th.
23 From the 15th to when we settled Universal, very

1 little because I was just -- I don't know if he
2 ever called. Oh, yeah, I did put this in.

3 And then after the shareholder
4 agreement went away, I had lots of communication
5 with him, numerous calls about getting those 8
6 million shares in strong hands.

7 The last time that I spoke -- we
8 don't talk about business.

9 The last time -- let me be clear.
10 He's asked me, how's business, of course,
11 probably two or three times. And I've given the
12 same answer that I give to anyone under
13 regulation.

14 The last time I talked to him was
15 just a couple of days ago because I called him.
16 And I said, are you going to not vote your shares
17 in this upcoming proxy election as your 13(d)
18 indicated? Because we have a proxy election
19 right now with directors. And he was actually a
20 shareholder of record when that happened for 12
21 million shares.

22 So, I called directly. Because
23 we're trying to understand who is voting for who.

1 I called him directly to ask that question. And
2 he indicated to me that he will follow what he
3 put in his 13(d), which he would not be voting
4 his shares.

5 MR. BEDROSIAN: Thank you.

6 MR. CROSBY: Mr. Maddox, you talked
7 about having a list of stuff that you would like
8 to do when you took over after pull of the
9 question of some of the diversity initiatives and
10 so forth that Commissioner Stebbins asked you
11 about.

12 It's implicit in that that you felt
13 there were some issues that needed to be
14 addressed when you took over. Am I right in
15 perceiving that?

16 MR. MADDOX: No. When I was
17 referring to the list, it really had to do with
18 the transactions that we made. So, the Universal
19 litigation, the 2.4 billion dollars, equitizing
20 the balance sheet with some people that are
21 operating in Macau, settling the on-going feud
22 with Elaine Wynn, six years of litigation with
23 Elaine Wynn was tiresome and distracting.

1 So, those were the things that I had
2 on my list. I also had on my list leadership
3 development programs. And, you know, we had been
4 talking a lot about diversity and inclusion and
5 how to roll those things out in an effective way.

6 So, those were not suppressed in
7 anyway, but it's something that we had talked
8 about a lot, how do we do this. And this really
9 gave us an opportunity to use it as a spring
10 board and to realize we probably should -- you
11 know, now is the time and we can make this
12 happen.

13 MR. CROSBY: Anybody else?

14 MS. CAMERON: Mr. Maddox, you have
15 given us information about the importance -- you
16 understand the importance of separating from
17 Mr. Wynn at this point. Contacts, they're all
18 non-business.

19 Would you say the board also shares
20 that understanding that that is an issue that we
21 have to pay attention to when it comes to
22 control, those contacts with Mr. Wynn? Do they
23 understand that as well? And, particularly, the

1 board members who are long standing.

2 MR. MADDOX: Absolutely.

3 Absolutely. I think you will see -- I haven't
4 seen, but I'm assuming you have seen their
5 communication with Mr. Wynn. And they absolutely
6 understand this.

7 We know, for sure, this
8 investigation needs to be thorough, pristine, and
9 transparent. We're committed to it, and the
10 board is committed to it.

11 MR. CROSBY: You're talking about
12 your own investigation?

13 MR. MADDOX: That's right. We're
14 committed to it, the board is committed to it.
15 It's the only thing that you can do in these
16 situations.

17 And, so, yes. The answer is yes.

18 MS. CAMERON: Thank you.

19 MS. SINATRA: And from a proof
20 perspective. We did submit an affidavit
21 outlining all of those contacts. Many of them
22 are none. We also have put in place a process by
23 which any senior officer or director who has

1 contact, direct or indirect with Mr. Wynn reports
2 that contact to us.

3 So, I think that everybody
4 understands exactly where we are on that topic.

5 MR. DIGIACAMO: And, commissioner,
6 we will get into that further as the hearing
7 proceeds.

8 MS. CAMERON: Thank you.

9 MR. CROSBY: This actually jumps
10 ahead to Mr. DiGiacamo's submission. But you did
11 write, "Additionally Mr. Wynn no longer
12 communicates with or otherwise remains in contact
13 with any officer or director of Wynn Resorts."

14 That sounds like it's not quite the
15 case. And it, frankly, seemed to me to be
16 pushing the envelope. Nobody is asking that
17 there not be any contact whatsoever, even with
18 old friends, but that's what you wrote.

19 MR. DIGIACAMO: That statement was a
20 looking-forward statement and with respect to
21 business association terms. But understanding
22 the chairman's comment, we'll address that.

23 MR. CROSBY: In your testimony

1 you'll address it?

2 MR. DIGIACAMO: Yes.

3 MR. CROSBY: All right. Fine.

4 MR. DIGIACAMO: Yeah. There are
5 communications. And Jacqui Krum will go through
6 those with some specificity and then present the
7 evidence. And, then, should the commissioners
8 have any questions with respect to those various
9 communications, we're prepared to answer those.

10 MR. CROSBY: Okay. Anybody else?

11 All right. Next step, Mr.

12 DiGiacamo.

13 MR. DIGIACAMO: Mr. Chairman,
14 commissioners, Frank DiGiacamo. Good morning.

15 Just an evidentiary matter first.

16 We would like to have the PowerPoint that
17 Mr. Maddox referred to, the one with the video, I
18 think marked as Exhibit 4. Is that the next?
19 Thank you.

20 As already been stated several times
21 here today, and by Mr. Grossman, the purpose of
22 today's meeting is to consider the legal
23 question, the legal question as to Mr. Wynn's

1 status as a qualifier in connection with the
2 category one license held by Wynn Mass.

3 Chapter 23(k) and the commission's
4 regulations set forth the criteria that
5 determined whether or not an individual is a
6 qualifier.

7 If an individual no longer meets
8 those criteria, that individual, quite frankly,
9 is no longer a qualifier. And through the
10 evidence submitted by way of exhibits through our
11 brief and through testimony today, it's our
12 position, it will be clear that Mr. Wynn's status
13 should no longer be that of a qualifier.

14 In connection with the hearing
15 notice received, that notice requested that Wynn
16 Resorts and Wynn Mass have a person designated
17 who will testify on behalf of the companies with
18 respect to the items set forth in Addendum A.
19 And that person is seated to my right. That's
20 Jacqui Krum. She's the senior vice president and
21 general counsel of Wynn Mass. We also submitted
22 an affidavit of Ms. Krum.

23 And I move that we mark that as

1 Exhibit 5.

2 MR. CROSBY: I don't think we've
3 seen that, right?

4 MS. CAMERON: Yes, we have.

5 MR. CROSBY: Oh, we did?

6 MS. CAMERON: Mm-hmm.

7 MR. CROSBY: Oh, last night?

8 MR. DIGIACAMO: The purpose of
9 the -- the affidavit addressed the specific items
10 set forth in the hearing notice, the April 19th
11 hearing notice; particularly, those items set
12 forth on Addendum A. There were 12 areas of
13 inquiry upon which the representative of the
14 company should be prepared to testify to.

15 And following receipt of the hearing
16 notice, including the addendum, Ms. Sinatra
17 reached out to the various board members,
18 contacted the board members and officers of Wynn
19 Resorts and Wynn Mass, provided a copy of that
20 hearing notice. And, as a result of that, those
21 individuals responded to Ms. Sinatra. And the
22 responses are detailed with some specificity on
23 the affidavit, but Ms. Krum is certainly prepared

1 to expand upon those, should the commission have
2 any specific questions with regard to those.

3 So, the affidavit sets forth the
4 various inquiries by number and then provides
5 general responses from those directors and the
6 specific officer who responded.

7 And with respect to the qualifier
8 status of Mr. Wynn. And at risk of being
9 somewhat repetitive. As set forth in the
10 exhibits and the SEC filings, Mr. Wynn clearly is
11 no longer an officer, no longer an employee, and
12 more significantly, no longer a shareholder of
13 Wynn Resorts.

14 So, the mandatory qualifier status
15 with respect to those positions is not in doubt
16 and supported by SEC filings, supported by the
17 submission made by Mr. Wynn through his counsel
18 as well.

19 There is a -- as set forth in his
20 PowerPoint, the various categories. And I'll
21 point to the one that defines the term close
22 associate.

23 A close associate is an individual

1 defined who holds a financial interest, whether
2 direct or indirect in the licensee. As a result
3 of his divestiture of his shares, Mr. Wynn no
4 longer holds such an interest.

5 More specific, the close associate
6 designation also encompasses a person who is
7 entitled to exercise power over the business of
8 Wynn Massachusetts. Mr. Wynn no longer has that
9 power as a result of his resignation from his
10 positions and the divestiture of his shares.
11 He's not able to influence any significant
12 influence over the management of the operation,
13 as Mr. Maddox eluded to. He's making those
14 decisions as chief executive, delegating to those
15 individuals who have responsible to the specific
16 property.

17 So, Mr. Wynn clearly no longer has a
18 financial interest, no longer can exercise
19 control. He's just a member of the public. Not
20 a shareholder, not an executive in any regard.

21 Now, as part of the separation,
22 there are two significant agreements that were
23 attached to our brief.

1 And that -- the first is the
2 separation agreement that was entered into by
3 Mr. Wynn and the company on February 15th. And
4 that agreement sets forth the specific terms of
5 the separation. So, this agreement, in itself,
6 is a tool, a mechanism, a contract by which this
7 separation is being effectuated.

8 He resigned immediately from the
9 board. He received no additional financial
10 benefit. There are sections in there regarding
11 his vacating of the villa at the Wynn Las Vegas
12 property. Continuation of health care benefits
13 and administrative support for some brief period
14 of time. But this agreement is part of the
15 separation of Mr. Wynn from the company.

16 There is also the surname rights
17 agreement, which is also referred to in the
18 separation agreement, and we're prepared to
19 answer any questions with respect to that.

20 So, turning to the business
21 association term. Again, these -- these
22 agreements are really the only agreements between
23 Mr. Wynn and the company that currently exist.

1 And the purpose of those agreements and the
2 effect of those agreements is to disassociate
3 Mr. Wynn from Wynn Resorts and Wynn Mass.

4 MR. ZUNIGA: Mr. Chairman, what do
5 you collectively call these agreements? The
6 separation agreement is one of them?

7 MR. DIGIACAMO: Yes.

8 MR. ZUNIGA: Any others?

9 MR. DIGIACAMO: There is the surname
10 agreement. And that's --

11 MR. ZUNIGA: Surname, yes.

12 MS. KRUM: Surname rights agreement.

13 MR. DIGIACAMO: Yeah. The surname
14 rights agreement, which was referred to in the
15 separation agreement was entered into in August
16 of 2004.

17 MR. ZUNIGA: Is that surname rights
18 agreement still in effect?

19 MS. KRUM: It is in effect. It has
20 a perpetual term. And there are no -- there is
21 no payment for it under that agreement.

22 MR. ZUNIGA: So, the company has the
23 right to use the Wynn name, last name, and logo,

1 if I remember correctly the terminology?

2 MR. DIGIACAMO: Yes.

3 MS. KRUM: Right.

4 MR. ZUNIGA: That has been settled
5 as he's being remunerated in whatever case in the
6 past?

7 MS. KRUM: Right. So, under that
8 initial agreement it said that, you know, the
9 consideration has already been received.

10 MR. ZUNIGA: Has been received.

11 MS. KRUM: Yeah.

12 MR. ZUNIGA: But you have the option
13 to discontinue that. Is that not correct?

14 MS. SINATRA: That's correct. And
15 the change in the severance agreement was that to
16 the extent that the company elects to cease using
17 the Wynn name in anyway Mr. Wynn has the right to
18 reclaim it.

19 MR. ZUNIGA: Right. But until you
20 decided that --

21 MS. SINATRA: We have the right --
22 it's a royalty free right.

23 MR. ZUNIGA: Right.

1 MS. SINATRA: We actually got it on
2 the cheap. I don't think he ever got paid.

3 MR. ZUNIGA: When was that, in 2004?

4 MS. SINATRA: In 2004.

5 MR. DIGIACAMO: Again, these
6 agreements are part of the process of
7 disassociating from Mr. Wynn.

8 This slide -- and I wanted to show
9 the effect of the qualifier status and really to
10 demonstrate how it serves no regulatory purpose
11 at this point given Mr. Wynn's status to deem him
12 a qualifier.

13 So, really, if the commission were
14 to continue to require Mr. Wynn to qualify, three
15 things could happen. First, he would submit the
16 qualification and found suitable. That could
17 occur.

18 Mr. Wynn could submit the
19 qualification and be found unsuitable.

20 Or he could refuse to submit the
21 qualification and ultimately found unsuitable
22 based on his failure to cooperate or refusal to
23 cooperate with the investigation.

1 Under two and three, the result of a
2 disqualification in the gaming world is, at that
3 point, a disassociation from the unsuitable
4 person. That disassociation has already occurred
5 here.

6 This commission even in some of the
7 earlier rulings with respect to the Suffolk Downs
8 application, for example, allowed for a
9 divestiture trust for one of the shareholders,
10 Rinado. And the purpose of that trust was to
11 present -- to put in place, and you approved an
12 orderly process by which that applicant at the
13 time could disassociate from an uncooperative
14 qualifier.

15 So, in that situation this
16 commission approved a trust to ultimately -- that
17 set forth the terms of a divestiture should that
18 licensee had been selected.

19 That is consistent with what other
20 gaming regulatory agencies have done in the
21 unsuitability context.

22 New Jersey had a series of cases
23 when they came on-board early. In those cases,

1 when shareholders, and significant shareholders
2 were found unsuitable, the regulators allowed for
3 the disassociation of that unsuitable person and
4 made that a condition of licensure.

5 The disassociation was a termination
6 of any existing employment relationship and a
7 divestiture or a redemption of their share. That
8 has already occurred here.

9 So, if this board were to deem
10 Mr. Wynn a qualifier, he has already
11 disassociated. He could not disassociate twice.
12 It's an impractical result. And I think that
13 supports the specific arguments that Mr. Wynn
14 does not meet the legal definition of qualifier.

15 With respect to -- turning back to,
16 I guess, now Exhibit 5, Jacqui Krum's affidavit.
17 I want to walk through the process by which we
18 made inquiry into the specific items in the
19 hearing notice.

20 I don't know if, Jacqui, if you just
21 want to address those.

22 MS. KRUM: So, on April 19th, Kim
23 Sinatra sent out an email to the board of

1 directors and officers of the company asking them
2 to respond to the Addendum A that was part of our
3 notice.

4 She copied Frank DiGiacamo and
5 myself on that email and asked them to respond to
6 all of us.

7 As a result of those responses that
8 we received and additional responses in follow-up
9 questions we were able to compile my affidavit
10 accordingly.

11 MR. DIGIACAMO: I don't know if the
12 commission has specific questions.

13 MS. O'BRIEN: Did you speak directly
14 to the people you reference in the affidavit?

15 MS. KRUM: I spoke to some of them
16 directly with follow-up questions. Most of them
17 answered the questions in email format. So, I
18 used those emails to compile the affidavit and if
19 I had follow-up questions I did reach out to
20 them.

21 MR. CROSBY: You're saying that even
22 people who have been long-time friends, in some
23 cases, practically since boyhood, have decided

1 and are promising not to have any relationships,
2 even casual, not to bump into each other at their
3 summer house or.

4 MS. KRUM: I wouldn't go that far
5 that they're not ever going to bump into each
6 other. What they have said that they will do is
7 if they do have any communication they will
8 report it and we will be able to report that into
9 the commission. They also have committed to not
10 have any business communications. So, if it is
11 social, that's what it would be.

12 MR. CROSBY: Right. Okay.

13 But the statement does -- the
14 statement in the document is a little more
15 explicit than that. It does say, no longer
16 communicates with or otherwise remains in contact
17 with any officer or director.

18 And that's on page --

19 MS. KRUM: That's actually in the
20 brief.

21 MR. DIGIACAMO: Yeah, that was the
22 brief, and that was a bit of advocacy. And,
23 again, that was from the date of that brief

1 moving forward.

2 MR. CROSBY: No. No. But I mean
3 going forward. I mean, it's fine, but you're
4 just representing, in that statement, that there
5 will be no communication.

6 MR. DIGIACAMO: To the extent --
7 that was not meant to be. So, that
8 interpretation or that position was not meant to
9 be put forth if that's how you're interpreting.

10 MR. CROSBY: Okay. I mean, I
11 wouldn't want, you know, that kind of a
12 communication to be a breach of what you have put
13 to us under oath.

14 MS. KRUM: I think the purpose of
15 that communication was to demonstrate that there
16 will be no further business communications with
17 Mr. Wynn at any time.

18 MR. CROSBY: Okay.

19 MR. DIGIACAMO: I think it also
20 should be pointed out that a single director,
21 even if Mr. Wynn had communication with that
22 director, that director then could not then, on
23 their own accord, significantly influence a

1 decision by Wynn Resorts. That's done at the
2 executive level.

3 So, you know, those types of casual
4 conversations, my term, personal in nature, the
5 reference in the brief was to be specific to
6 business-type communications.

7 MR. CROSBY: I think from my
8 standpoint, I mean, the boxes that are the formal
9 boxes seem to me to be clearly have been checked
10 and checked expeditiously.

11 And, you know, the close associate,
12 you know, the law defines what that is, and the
13 word entitled is in the word close associate.
14 So, it doesn't mean just a friend. It means
15 somebody who is entitled to exercise power. And
16 I think you've suggested that's a pretty slim, if
17 not next to impossible. It's not entitled in
18 anyway because of some business relationship.

19 There is the practical reality. If
20 there were, for example, an effort to remove a
21 board member who is a long-time associate, it
22 would be very tempting, I would think, for him to
23 want to lobby, whoever, on behalf of his

1 long-time friend, the board member. And that's
2 maybe a little bit outside close associate, but
3 it's within your commitment that there won't be
4 any business communications. And I think that's
5 something that we want to be able to rely on.

6 But there is -- these are human
7 beings. Human beings are involved here. There
8 are multi-year relationships involved here. And
9 I don't want us to kid ourselves about the
10 possibility of some kind of nontrivial, powerful
11 influence by a very compelling, powerful
12 personality on such things.

13 MR. BEDROSIAN: Mr. Chairman, may I
14 ask a follow-up question on that?

15 MR. CROSBY: Sure.

16 MR. BEDROSIAN: Attorney Krum, in
17 your filings you described a process that the
18 company is going through internally for a
19 notification process for communications.

20 Can you describe that, please?

21 MS. KRUM: Sure. So, as one of the
22 things -- and I will tell you that the
23 communications that the board of directors

1 communicated to me, it was a discussion, for
2 instance, on a broken tape that Mr. Wynn had been
3 listening to in China. They were casual, social
4 conversations. A number of the board members
5 reached out to thank him for resigning and
6 telling him that they thought he had done the
7 right thing for the company.

8 On a going-forward basis, we have
9 been -- we've asked all the officers and
10 directors to please notify us as soon as they
11 hear -- as soon as they receive any communication
12 from Mr. Wynn and what the subject matter of that
13 communication is so that we can say whether it's
14 personal in nature or whether it does cross the
15 line into a gray area. And we would be prepared
16 to share those communications with the gaming
17 commission.

18 MR. BEDROSIAN: So, that is
19 something that you could do within 24 hours, let
20 our Investigations Enforcements Bureau know?

21 MS. KRUM: Can I not commit to 24
22 hours as people do sleep and live in different
23 times zones? But I will do it as promptly as

1 possible.

2 MR. BEDROSIAN: We could probably
3 figure out an appropriate time frame.

4 MS. KRUM: Thank you.

5 MR. DIGIACAMO: We've asked the
6 directors to report to Jacqui within 48 hours of
7 receiving any such communications. We can
8 certainly work with staff with respect to the
9 specific turn-around on those.

10 MR. STEBBINS: Just as a quick
11 follow-up on that point.

12 Ms. Krum, in your affidavit you
13 talked to making those notifications by officers
14 and directors available to commission upon
15 request. I'd strike the "upon request."

16 MS. KRUM: I assume the request is
17 on-going, so.

18 MR. STEBBINS: Yes. Thank you.

19 MS. O'BRIEN: That was my question,
20 whether they've been asked to or directed to.

21 MS. KRUM: We have asked them to do
22 that at this point, and we will follow-up with a
23 more formal direction that that is the policy.

1 MR. STEBBINS: One other question on
2 this affidavit, Ms. Krum. You talk about,
3 inquiry No. 11, which is in the middle of page 5.
4 You say, the only debt obligation owed to
5 Mr. Wynn by Wynn Resorts relates to his city
6 ledger account.

7 MS. KRUM: Actually, that's not a
8 debt owed by Wynn Resorts to Mr. Wynn -- sorry.
9 It's not a debt owed by Mr. Wynn to Wynn Resorts.
10 It's a -- he put up money as part of his city
11 ledger. So, that's the balance that's left and
12 that would be a debt that, essentially, would be
13 repaid to Mr. Wynn.

14 And, Matt, I'm not sure if that's
15 been done or whether it's in progress.

16 MS. SINATRA: So, many of our
17 directors have money on account. Under Sarbanes
18 we never wanted to be in a position where either
19 officers or directors owed money to the company.

20 So, to the extent that they eat in
21 the restaurants or had retail or any other
22 services from the hotel, they were covered by a
23 balance that was kept at the hotel.

1 We're in the process of winding down
2 all of the relationship with Mr. Wynn. And, so,
3 when that's concluded, we'll return his money.

4 MS. KRUM: And just to give you some
5 additional information. On March 31, 2018, the
6 balance was \$230,769.42. So, that, obviously,
7 will be returned to him to the extent that it is
8 still there.

9 MR. ZUNIGA: Can I follow-up a
10 little bit on winding of financial relationships.

11 Mr. Wynn had a substantial amount of
12 art that he owned or lent to the -- for use to
13 the company.

14 How is that -- can you give us a
15 little what update on that situation?

16 MS. SINATRA: By the end there
17 wasn't that much overlap, but there were a few
18 pieces that he owned that we had on display in
19 various places. We've settled that out. He took
20 his art back and we kept a few pieces that are
21 vases in one of the restaurants, but we've
22 settled out any on-going relationship with
23 respect to the art.

1 MR. CROSBY: What happened to
2 Popeye?

3 MS. SINATRA: Popeye is still
4 waiting.

5 MR. CROSBY: Who owns -- So, Wynn
6 Resorts owns Popeye?

7 MS. SINATRA: We do, yes.

8 MR. CROSBY: Okay.

9 MS. KRUM: And there is a few boxes
10 in storage, but that is the extent. When we went
11 through the inquiry with all the officers and
12 directors that was the extent of property that's
13 still owned by Mr. Wynn that's on property.

14 MS. SINATRA: Yeah, we'd love to see
15 Popeye over there on the Mystic River for sure.

16 MR. BEDROSIAN: And to state the
17 obvious, Mr. Wynn is no longer on the property?

18 MS. KRUM: That's correct. He's
19 vacated his villa.

20 MR. CROSBY: Other questions for
21 Wynn Resorts?

22 MR. ZUNIGA: I got a hypothetical,
23 if you don't mind.

1 Is it fair to say that had you not
2 settled that lawsuits that you did with Universal
3 and Elaine Wynn, the relationship with Mr. Wynn
4 would have been one of -- that either puts you at
5 odds or in the same interest, depending on those
6 lawsuits.

7 In other words, he might have been
8 exerting indirect influence if those lawsuits
9 were still on-going.

10 Is that a fair statement?

11 MR. MADDOX: I think if we wouldn't
12 have settled all of those issues with all of
13 those three different former and current
14 shareholders, then you're right, it would have
15 been hard to move the stock on.

16 So, yeah, it would have been -- I
17 think you're right, it would have been more
18 complicated. And that's why on February 27th I
19 said, we have to reduce the complication and we
20 have to solve all this litigation, not just for
21 Mr. Wynn or the company, but for Universal and
22 for Elaine and this fight that had been going on
23 for six years. It's not worth it. So, that was

1 step one to just clear the debts.

2 MR. ZUNIGA: So, that leaves now Ms.
3 Elaine Wynn as the largest shareholder?

4 MR. MADDOX: She is.

5 MR. ZUNIGA: But she's not currently
6 a board member?

7 MR. MADDOX: She's not.

8 MR. ZUNIGA: And you mentioned an
9 annual meeting coming up?

10 MR. MADDOX: Yes.

11 MR. ZUNIGA: Will there be board
12 nominations at that time or board --

13 MR. MADDOX: No, that was the three
14 members that we appointed last week were in our
15 proxy as the new board members that will be
16 coming up.

17 MR. STEBBINS: I'm sorry. One last
18 quick question for Attorney DiGiacamo. And you
19 might have said it and I apologize if I missed
20 it.

21 Do you have a definition of what
22 business association means?

23 MR. DIGIACAMO: Well, certainly the

1 -- it's certainly our position that neither the
2 separation agreement nor the surname agreement
3 are a business association, the type of which
4 that regulation was meant to address.

5 It's not of the nature or the extent
6 that would prompt a regulator to want to regulate
7 the individual that has that type of association.
8 First off, it's part of the disassociation;
9 particularly, the separation agreement from
10 Mr. Wynn.

11 And the surname agreement, since he
12 receives no financial remuneration and it was
13 entered into in 2004, we would submit that it's
14 not a type of business association that requires
15 him as a qualifier under the regs.

16 MR. STEBBINS: Thank you.

17 MR. CROSBY: Is that it for Wynn
18 Resorts?

19 All right. Thank you very much.

20 MR. MADDOX: Thank you.

21 MR. CROSBY: And we will ask the
22 representative of -- does anyone want to take a
23 break or are you all right?

1 Let's take a quick break while the
2 groups change.

3 Before we do break, we do have a
4 tradition that the Gaming Commission of
5 introducing distinguished public officials who
6 are here. And I just noticed that Mayor Carlo
7 DeMaria is visiting us. Welcome Mayor. Nice to
8 have you here.

9 We'll take a five-minute break.

10 MR. DIGIACAMO: Mr. Chairman, one
11 evidentiary matter just to move the second
12 PowerPoint into evidence.

13 MR. CROSBY: Exhibit 6.

14 MR. DIGIACAMO: Thank you.

15 MR. CROSBY: Okay. Thank you.
16 We'll be back in five minutes.

17
18 (Break taken, 11:12 - 11:25 a.m.)
19

20 MR. CROSBY: We are reconvening our
21 public hearing on the Steve Wynn application
22 relative to his qualifier status.

23 I apologize. We've had some

1 technical difficulties. Our Internet feed of our
2 live stream is compromised. It's available in
3 some places, not in others. But we will go
4 ahead. It will be recorded and will be posted as
5 soon as we get the recording back.

6 I think we now are to the next item
7 on our agenda, which is representation of
8 Mr. Wynn.

9 MR. KELLY: Yes. Good morning.
10 Brian Kelly and Joshua --

11 MS. CAMERON: Green button.

12 MR. KELLY: That will help.

13 Good morning. Brian Kelly and
14 Joshua Sharp of Nixon Peabody for Mr. Wynn. We
15 appreciate you inviting us here today. And I
16 don't disagree with a lot of the legal analysis
17 and the factual statements made by the
18 commission's counsel and the company's counsel.

19 I would note that with respect to
20 the evidence that we've offered, we have, in
21 fact, attached numerous documents to our brief,
22 which are now in the record. And that would be
23 our evidentiary record.

1 I do think, at the risk of having
2 everyones eyes glaze over, I would like to
3 address the law very quickly and succinctly with
4 respect to whether or not Mr. Wynn is a
5 qualifier. Because that's why we're here. And
6 it's our clear and unequivocal position that at
7 this stage, under the existing law, and under the
8 relevant facts, he's not a qualifier and he's no
9 longer relevant to any on-going proceedings here.

10 So, as I have viewed the law and the
11 analysis, and I think we're consistent with
12 commission's counsel, there is really six
13 different possible ways you could conclude
14 somebody is or is not a qualifier. And I think
15 the first four can be wrapped up pretty quickly
16 and then can be given a fairly quick analysis.

17 And the first four arise out of
18 Chapter 23(k) Section 14s A and E. And those are
19 the four provisions which talk about a qualifier
20 can be any person with a financial interest in a
21 gaming establishment, any person with a financial
22 interest in the business of a gaming licensee.
23 No. 3, any person participating in the financing

1 of a gaming establish. And, No. 4, any close
2 associate of a gaming licensee.

3 Now, in light of the fact that he
4 has sold all his stock. He stepped down from a
5 position of authority. I think those first three
6 prongs are pretty clearly no longer applicable.
7 He's not a qualifier under that.

8 If you go to that 4th prong; that
9 is, is he a close associate of a gaming licensee.
10 He's not. That's a term, a phrase, a close
11 associate. It just doesn't mean anything you
12 want it to mean. It's not, like, he's friends
13 with this person or he's friends with that
14 person. He's got a lot of close associates in
15 Las Vegas. He's got a lot of friends. He's
16 lived there a long time. And that's not what it
17 means.

18 The phrase close associate is
19 defined by the statute itself. And that would be
20 in Section 2 of Chapter 23(k). And the close
21 associate definition applies to people who have
22 relevant financial interest, which he doesn't.
23 Or is entitled to exercise power. He's not.

1 He's out. He sold his shares. He has no
2 position. So, I would submit to the commission
3 that those four prongs are clearly no longer
4 applicable. He's not a qualifier under those
5 four items.

6 You get to the 5th potential way to
7 analyze whether or not he's a qualifier. We'd
8 respectfully submit that doesn't apply either
9 anymore. That's under Chapter 23(k), Section 4.
10 And that's the one referenced by commission
11 counsel about whether or not the person is a --
12 has a business association of any kind with the
13 company.

14 And, again, that is a technical
15 term, and we have submitted, in our brief, that
16 that has been defined. That has been defined by
17 the superior court in Massachusetts in the case
18 that we site by Judge Sanders back in 2013. Case
19 called Gibbons v. Galvin. And it's sited in our
20 brief at page 5 at the top. And she defines;
21 albeit, analyzing a separate statute, but in the
22 same context. That a business association would
23 denote a joint enterprise or transaction between

1 one or more individuals of a financial or
2 commercial nature. That doesn't exist here
3 anymore. Again, sold his shares, stepped down.
4 He's no longer a qualifier under that prong.

5 Finally, you could get to the 6th
6 potential way to assess whether a person is a
7 qualifier. And that would be the catch-all
8 provision found in 14(h) of Chapter 23(k). And
9 that pertains under to people who can exercise
10 control or provide direction to a gaming
11 licensee.

12 Again, here, he's lost his capacity
13 to control or direct this company. And, as such,
14 under the law, he has no right to be deemed a
15 qualifier. And we think both the facts that we
16 have submitted to date and the law, he should not
17 be considered a qualifier. And that we
18 respectfully submit that should be the
19 commission's conclusion.

20 Now, there is one point I want to
21 make clear. The company counsel eluded to it,
22 said he won't be voting his shares. And that
23 might seem like a curious statement given that he

1 has no shares, right. But there is kind of an
2 unusual quirk in the corporate law, which is, I
3 best paraphrase it, is this, that when a
4 corporation calls an annual meeting like this
5 company has done for May 16th, they have to set
6 what's called a record date. The record date is
7 the date where anyone holding shareholders as of
8 the date is on the list.

9 And the reason I say it's kind of a
10 strange quirk in the corporate law is that after
11 the record date, but before the annual meeting,
12 sometimes people sell all their shares. That's
13 what he's done. He's out. He sold all his
14 shares. However, as a technicality under the
15 corporate law, he could if he so chose, and he
16 doesn't so choose, vote his shares.

17 That's what company counsel was
18 eluding to with respect to, he doesn't intend to
19 vote his shares. A, he doesn't have them
20 anymore; and, B, under this little gap in the
21 record date and the annual shareholder meeting
22 timing, he's not going to vote his shares even if
23 he wanted to. So, I wanted to make that clear to

1 the panel.

2 MR. CROSBY: That's what you're
3 referring to in your footnote on page 3 of your
4 brief?

5 MR. KELLY: Yes, sir. Yes.

6 MR. CROSBY: Okay.

7 MS. O'BRIEN: Is there any legal
8 prohibition in him exercising the proxy share
9 vote?

10 MR. KELLY: No, I don't think there
11 is.

12 MS. O'BRINE: So, he could, in
13 theory, despite his representations that he's not
14 vote on May 16th?

15 MR. KELLY: Yes. That is the
16 corporate law, but he has no intention of doing
17 so. He conveyed that to the company. And if you
18 want to make whatever decision you make effective
19 as of the date of the annual meeting, May 16th,
20 then it's -- there so no technical gap at that
21 point.

22 MR. ZUNIGA: Does he have intention
23 of attending the annual meeting, do you know?

1 MR. KELLY: No, he does not.

2 So, that, I think, is the applicable
3 legal analysis. I agree that the separation
4 agreement that has been discussed that was
5 entered into on February 15th is an important
6 document. It makes it clear that he's got no
7 more duties and no more responsibilities to the
8 company, and vice versa.

9 It also makes it clear that he has
10 no further authority to act on behalf of the
11 company. And didn't get any severance. And, as
12 noted, to the extent he was allowed to live on
13 the property until June 1st, he's already gone.

14 So, for those reasons, for the
15 reasons that have been discussed by everyone
16 else, and based upon the facts in the record and
17 under the law that applies to qualifiers, we'd
18 respectfully submit that the commission take this
19 under advisement and issue an opinion ultimately,
20 which concludes the same thing, he's not a
21 qualifier.

22 So, going forward, if there is
23 issues that the commission is concerned with, it

1 should be addressed with the company, not
2 Mr. Wynn.

3 MR. CROSBY: Questions? Issues?

4 MR. ZUNIGA: I don't know if this
5 would have been a question for the company, but
6 let me pose it to you. And I can always come
7 back to counsel Sinatra, if needed.

8 There was, as part of the separation
9 agreement, there was a registration rights
10 agreement relative to how they could sell,
11 Mr. Wynn was going to be able to sell the stock
12 when he did sell.

13 Originally, it was -- the agreement
14 provided that there was a sale restriction of a
15 third of his shares per quarter.

16 But is it correct that the company
17 must have waived that provision for him to be
18 able to sell those shares prior to those
19 quarters?

20 MR. KELLY: I don't know all the
21 nuances of the sale itself and who had to waive
22 what. All I do now is he sold 100%. He's got
23 nothing left.

1 MR. ZUNIGA: Is that your
2 understanding, too, Ms. Sinatra?

3 Please come up, if you don't mind.

4 MS. SINATRA: As part of his
5 separation agreement, Mr. Wynn was granted
6 registration rights. His -- most of his shares
7 were unregistered shares because they were pre
8 IPO shares. And, so, they were not tradable
9 freely on the exchange. And, so, we agreed,
10 subject to sales limitations. And the reason
11 that the sales limitations were negotiated in the
12 first place is that we wanted to be sure that
13 there was an orderly movement of those shares and
14 so he didn't go out and dump 12 million shares on
15 one day, which would have really destabilized the
16 company.

17 He ended up being able to sell the
18 first four million shares that he sold -- and,
19 I'm sorry. I don't want to give you a tutorial
20 on the securities laws, but under Rule 144, which
21 did not require the exercise of those
22 registration rights.

23 We then registered the remaining 8

1 million shares and they were sold on a registered
2 basis to both Capital and to T. Rowe Price.

3 And, so, the short answer to your
4 question is, yes, we waived the restriction
5 because the sale was orderly.

6 That's been fully performed. And,
7 so, that portion of the severance agreement has
8 been fully performed.

9 MR. CROSBY: Ms. Sinatra, while
10 you're up here, did I understand Mr. Maddox's
11 story right? It sounded like he was talking to
12 Wynn about selling the shares and said he didn't
13 want him to sell them to hedge funds and some
14 kind of category of buyers, and Wynn immediately
15 went out and sold a bunch of his shares to,
16 precisely, the people Mr. Maddox had asked that
17 he not sell to.

18 Did I understand that correctly?

19 MS. SINATRA: I think that is a
20 relatively accurate pracy (phonetic) of what
21 Mr. Maddox testified to.

22 Mr. Wynn was -- and we were eager
23 for him to fully divest from the company. And

1 the negotiations took a little bit longer than
2 maybe he wanted them to. And, so, he did sell
3 four million shares in advance of the placement
4 to the long-term investors.

5 MR. CROSBY: Does that suggest an
6 adversarial kind of relationship between Wynn and
7 Wynn Resorts at this point?

8 MS. SINATRA: It's been difficult.
9 It's been very difficult.

10 MR. CROSBY: Anybody else?

11 MS. CAMERON: No.

12 MR. CROSBY: We talked about this
13 vaguely -- vague kind of relationship that
14 possibly could come in under the 6th category
15 about, based on his long-term relationship and
16 the force of his personality, that he might be
17 able to exercise influence over certain members
18 of the, possibly the staff or of the board.

19 Does he have any interest in that?
20 Can you speak to -- you know, others, the
21 commission -- the people at Wynn Resorts have
22 talked about testifying that they will not be in
23 contact on any substantive matter whatsoever and

1 that there is going to be a formal process in
2 place to record any such -- any contact,
3 including substantive contact.

4 Will he make similar
5 representations? What's his frame of mind about
6 that?

7 MR. KELLY: Well, he certainly has
8 no interest in abandoning long-time friends and
9 they have no interest in abandoning him either.

10 So, to the extent he has
11 long-standing friends in the Vegas area, he's
12 going to continue to be friends with them;
13 however, with respect to the actual, legal
14 standard is, on that catch-all provision, is
15 whether or not an individual can exercise control
16 or provide direction to a gaming licensee. And
17 he hasn't done that. He won't do that.

18 To the extent the commission is
19 concerned with what may result in the future, I
20 think it could be satisfied with conditions upon
21 the company itself. To the effect of don't take
22 direction from him with your business. I think,
23 as you pointed out earlier, it's pretty hard not

1 to bump into people you've known for 30 years, et
2 cetera in your local community.

3 MR. ZUNIGA: To that end, there are
4 a number of projects, let's say, Lagoon in Las
5 Vegas, a property across the street that Mr. Wynn
6 envisioned the project.

7 Do you foresee any kind of contact
8 to the effect of what was envisioned for those
9 projects?

10 MS. SINATRA: No, we really don't.
11 And, so -- and part of probably the process that
12 wasn't always apparent to the public is Mr. Wynn
13 always worked with a large number of creative
14 collaborators. So, he may have been the
15 conceptualizer of many things that our company
16 executed upon. There are a great number of
17 creative talents who -- new ones that we've
18 recruited, old ones who we continue to work with.

19 But I think that management has
20 really revisited all of those capital projects,
21 reprioritized some of them.

22 So, I do not envision Mr. Wynn
23 participating, frankly, at all with respect to

1 those matters.

2 MR. CROSBY: Anybody else? Anybody
3 else? Okay. I think we are then finished. We
4 have the opportunity -- we have offered an
5 opportunity to either or both parties to do sort
6 of a summary wrap-up if you wish.

7 MR. KELLY: I think you may have
8 heard enough from me. My view is fairly
9 straight-forward. He's not a qualifier. Neither
10 the law nor the facts that you have support any
11 decision otherwise. And we respectfully ask you
12 to so rule after you've conferred amongst
13 yourselves.

14 MS. SINATRA: I believe that the
15 company rests upon its brief and testimony and
16 documentary evidence. Thank you.

17 MR. CROSBY: Okay. Great.

18 Thank you all very much. We will
19 now, as long as anybody else -- nobody else has
20 questions or issues. We will adjourn, as our
21 practice has always been, when there is any kind
22 of adjudicatory process with any controversy, we
23 will adjudicate in private and we will report out

1 as soon as we can with a written decision on our
2 deliberations.

3 And, I guess, if it's -- do I
4 need -- is this a temporary adjournment or is
5 this --

6 MS. BLUE: You're closing the
7 hearing.

8 MR. CROSBY: I'm closing the
9 hearing. So, I guess a need a motion to adjourn.

10 MS. CAMERON: Move to close this
11 hearing.

12 MR. CROSBY: Second?

13 MR. ZUNIGA: Second.

14 MR. CROSBY: Any discussion?

15 All in favor?

16 ALL: I.

17 MR. CROSBY: Opposed?

18 The Is have it unanimously. We are
19 adjourned. Thank you very much.

20

21 (Hearing concluded)

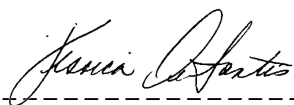
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23

COMMONWEALTH OF MASSACHUSETTS

I, Jessica M. DeSantis, Court Reporter, do
hereby certify that the foregoing testimony is
true and accurate to the best of my knowledge and
ability.

WITNESS MY HAND, this 29th day of April,
2018.



Jessica M. DeSantis

jmd