WYNN MA, LLC

APPLICANT

FOR A CATEGORY 1 GAMING LICENSE

PURSUANT TO M.G.L. c 23K;

REPORT OF SUITABILITY

OF APPLICANT ENTITIES AND

INDIVIDUAL QUALIFIERS

PURSUANT TO 205 CMR 101 *et seq*.

December 6, 2013

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I. INTRODUCTION

After a formal public Request for Proposals in approximately October 2012, the firm of Michael and Carroll, PC ("M&C") and its agents and affiliated professionals were selected and then retained by the Massachusetts Gaming Commission ("MGC") to assist the Commission's Investigations and Enforcement Bureau ("IEB") in conducting thorough, yet expedited, due diligence and background investigations of numerous entities and individual qualifiers for each respective assigned applicant. The investigation was given a tight and intense timetable, yet had to be as comprehensive as feasible. In order to meet these requirements, M&C utilized the services of field investigators, financial investigators, certified public accountants, database specialists, attorneys with extensive experience in gaming regulation and other support professionals. This staff included former FBI agents and supervisors, former State Police from other jurisdictions, former Attorney General's investigators, former state and tribal regulatory officials and former criminal prosecutors. This experienced staff was teamed with investigative personnel from the Massachusetts State Police assigned to the Gaming Enforcement Unit, and the IEB Director and staff. These suitability investigations constitute Phase 1 of MGC's casino selection process and focus on this applicant's background in terms of good character, honesty, integrity and financial responsibility. This report contains the factual findings and analysis of those elements of the applicant's background critical for the MGC to make an informed decision regarding suitability.

The applicant's origin, ownership and table of organization are discussed below in detail. While the IEB reasonably believe that this applicant has made a significant effort to confirm that this is the final organizational framework for the applicant's company that will oversee its planned gaming facility construction and operational logistics, M&C's long experience in the gaming industry and in government suggests that some variation may still occur. Any material deviation that could affect the suitability of the applicant or any of its individual person qualifiers will be immediately identified and closely monitored. As warranted, the IEB will take all appropriate action to assure that any potential deviations from the applicant's present intention are fully vetted to the established statutory and regulatory standards. Moreover, if the applicant does advance in the established MGC project suitability and evaluative processes, additional

investors and financial participants will, in the IEB's considered view and in conjunction with the Director of the IEB, also be identified and added. Any such new participants in the applicant's project will likewise be vetted to the appropriate established standards and law.

Finally, in addition to the applicant and related qualifying entities, this document also reports herein on all of the qualifying individuals. The specific sections of this report pertaining to such persons are summaries of IEB's investigational findings. The voluminous information from which these summaries are prepared will be retained by the IEB Director and the Massachusetts State Police. Any issues that arose in the course of any of those individuals' investigations and which bear upon the suitability of this applicant are addressed in this report.

II. SCOPE AND METHODOLOGY

The entity applicant, **Wynn MA, LLC** ("**Wynn MA**" or "applicant") and all individual persons identified by the IEB as "qualifiers" were required by both statutory law and the MGC's Phase 1 regulations to complete detailed application forms and various informational tables and appendices. These initial forms are based upon the often utilized Multi-Jurisdictional Personal History Disclosure ("PHD") and Business Entity Disclosure ("BED") forms used in many domestic gaming jurisdictions and are designed to reveal significant and material historical and biographical information about the applicant entity and individual person qualifiers. In addition to the PHDs and BEDs, the MGC also required the submission of a special additional form set entitled the Massachusetts Supplement ("Mass. Supp") and which contains numerous more focused Commonwealth-specific questions as well as significant comprehensive liability waiver and personal information privacy release forms so as to enable the thorough and efficient investigation in all relevant jurisdictions. All qualifiers, both entity and individual persons, have completed their respective required materials and have been examined by the M&C and IEB investigative team professionals. Additionally, supplemental requests have been issued for further specific information as each respective investigation dictate. All materials were examined and evaluated utilizing the criteria and standards in the Massachusetts Gaming Act and attendant Regulations promulgated by the MGC, that is, M.G.L. c. 23K §12, §16, §17, §46, and §47 and 205 CMR §108 and §115. Further, all materials were also reviewed using the general regulatory

standards practiced in the gaming industry, thus comprehensively evaluating each qualifier's requisite integrity, honesty, good character and reputation, financial stability and background as required by the aforementioned statute and regulations. In addition, each qualifier's financial suitability and responsibility were examined, and where the qualifier will be in an ownership, managerial or other operational role in proposed **Wynn MA** operation, the qualifier's specific business experience, past business practices and business ability was reviewed in order to establish whether that qualifier can be expected to maintain a successful gaming establishment. This review also included an analysis of the qualifier's history of compliance with gaming regulations, litigation history, criminal record inquiry and political contributions all as required by M.G.L. c.23K § 12.

M&C attorneys and investigators and Massachusetts State Police personnel also conducted in-person interviews with all key qualifying personnel in the applicant's project organization. Each respective qualifier's individual history and identified issues, if any, were also examined under oath, documented as to content and memorialized in formal certified transcripts.

Also, as will be discussed below, Commonwealth and other jurisdictions' regulatory agencies have previously investigated certain of the qualifier entities and individuals as well as the other key operational qualifier employees. IEB's investigation specifically inquired into whether those qualifiers have been confirmed as qualified and/or duly licensed and are in good standing. Further, IEB's investigation also determined whether any regulatory disciplinary actions have been filed against any of the entity or individual person qualifiers by any other regulatory agency. Where relevant, law enforcement agencies were also contacted for verifications or information. Among the jurisdictions and agencies contacted and from which important verifications or other information was sought and/or received included: Arizona, California, Colorado, Delaware, Florida, Illinois, Indiana, Kansas, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nevada, New Jersey, New Mexico, New York, Ohio, Oregon, Pennsylvania, West Virginia, Wisconsin, United States Virgin Islands, Agua Calienta Tribal Gaming Commission (California), Little River Band of Ottawa Indians Gaming Commission (Michigan), National Indian Gaming Commission, Oneida Nation Gaming

Commission (New York), Pala Gaming Commission (California), Seneca Gaming Authority (New York), St. Regis Mohawk Tribe (New York), Yocha Dehe Wintun Nation (California), Argentina, Commonwealth of Australia, Canada, England, Isle of Man, Republic of Malta and the Territory of Macau.

More specifically, the IEB investigative personnel have performed the following investigative steps in pursuance of the investigation:

1. Public record database checks which included, but were not limited to, the following:
    a. Incorporation papers and corporate filing searches for incorporation in other states have been conducted for the identified publicly held companies.
    b. The intended Everett location of the gaming facility, the applicant company and its owners and affiliated entities and individual qualifiers have been verified through address verification and other companies operating from the same location(s) have been identified.
    c. Dun & Bradstreet verifications of business information and credit profiles have been obtained on all qualifiers.
    d. A fictitious-business-name search and doing-business-as search on a national basis have been conducted.
    e. A civil litigation search relative to liens, bankruptcies and judgments in state of incorporation and all other states or commonwealths that have such information online has been conducted.
    f. A nationwide bankruptcy search on the entity and individual person qualifiers has been conducted.
    g. A search for all UCC filings to determine secured parties and banking affiliations has been conducted.
    h. A national media search on all entity and individual person qualifiers, as well as relevant affiliations, was conducted.
    i. A Federal District Court Docket Summary search for all states has been conducted.
    j. A business asset search has been conducted.

k. A limited liability company search and a limited partnership search have been conducted.

2. The status of all current and expired licenses, especially gaming licenses, disclosed by the entity or individual person qualifiers has been verified.
   a. 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.
3. The company website and affiliated websites have been examined and evaluated.
4. 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.
5. A financial integrity and stability analysis of the applicant owners and specific applicant affiliated entities relevant to the new applicant entities creation and formation as well as the owner's annual financial statements and tax returns has been conducted by a certified public investigative accountant. In this financial evaluation, the following tasks have been undertaken:
   a. A review of the applicant entity and individual person qualifiers' financial statements was conducted.
   b. If the financial statements were audited, the contact name and number of the independent CPA firm's audit manager was obtained and the audit partner was interviewed as to relevant financial issues.
   c. Available management letters or internal control letters issued by the independent CPA for the past three years was evaluated.
   d. The applicant entity and all entity and individual person qualifiers tax compliance history was reviewed and evaluated.
   e. Documentation/information of the owners and entity and individual person qualifier historical line(s) of credit and long term debt (mostly debt to/from a related entity) balances was obtained, reviewed and evaluated.

f. A letter from certain banks listing entities' and qualifiers' bank accounts and listing the most current balance for the applicable account was obtained.

g. A listing of all gaming-related licenses applied for by the applicant company, including the disposition and date of disposition, was obtained, reviewed and each individual licensing agency was contacted and the applicant's status and licensure was verified.

h. If a corporate entity, minutes of relevant Board of Directors, Audit Committee and Compliance meetings for the past three years were requested for review.

i. All relevant applicant qualifier compliance, due diligence and audit investigations conducted during the past three years were requested for evaluation. Additionally, if utilized, a copy of the applicant current compliance practices in existing licensing jurisdictions was obtained and reviewed.

j. An income analysis, net worth and asset evaluation on all individual person qualifiers was also conducted, as was a review of their federal income tax returns.

6. Where applicable, compliance with FCPA and AML policy and protocol compliance review was conducted 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, all of the above-noted checks and critical SEC filings including quarterly filings and annual reports filed by the company for the past three years were conducted.

7. Motor vehicle registrations, driver's license and driving history records were examined and verified.

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

9. The applicant qualifier's history of compliance with gaming regulations.

10. The applicant qualifier's litigation history.

11. The applicant qualifier's record of political contributions in Massachusetts, and if relevant, other jurisdictions.
12. The Massachusetts State Police conducted a thorough federal, state, and Commonwealth criminal history inquiry based upon the applicant qualifier's submissions and confirmed with the State Police examination of fingerprints.
13. An inquiry was conducted to determine if any credible information existed in any databases, 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, or who may pose injurious threat to the interests of the Commonwealth.
14. The individual person qualifier's educational background was examined and verified.
15. The individual person qualifier's employment history was examined and verified as necessary.
16. All provided personal references for all individual person qualifiers were contacted and interviewed.
17. All professional licenses of any applicant qualifiers were examined and verified, including specific verification of any gaming industry related licenses, permits or suitability determinations.
18. Applicant business affiliations for applicant entities and individual person qualifiers were examined and evaluated.

III. IDENTIFICATION OF APPLICANT

Wynn MA, LLC's ("**Wynn MA**" or "applicant") BED and related submissions indicated, and this investigation confirmed, that the specific entity seeking a Category 1 casino gaming license in the Commonwealth of Massachusetts is:

WYNN MA, LLC
3131 Las Vegas Boulevard South
Las Vegas, NV 89109

Point of Contact: Kimmarie Sinatra, Senior Vice-President/General Counsel/Secretary
Telephone: 702-770-2112

kim.sinatra@wynnresorts.com

Wynn MA was formed in Las Vegas, Nevada on May 31, 2011 and registered in Massachusetts as a foreign Limited Liability Company on January 17, 2013. The registered agent is Corporation System, 155 Federal Street, Suite 700, Boston, MA 02110. **Wynn MA** is a Limited Liability Company which is wholly owned by W**ynn Resorts, Limited** ("**Wynn Resorts**"), an entity qualifier for purposes of the within application for a Category 1 gaming license. **Wynn Resorts** is a publicly traded company listed on the NASDAQ under ticker symbol "WYNN." **Wynn Resorts** was incorporated in the State of Nevada on June 3, 2002. The registered agent is Kimmarie Sinatra, at the registered office address of 3131 Las Vegas Blvd South, Las Vegas, NV 89109.

Wynn Resorts currently owns and operates Wynn Las Vegas and Encore at Wynn Las Vegas located in Nevada. **Wynn Resorts** is also the owner of a 72.3% interest in Wynn Macau, Limited ("Wynn Macau, Ltd"), which operates Wynn Macau and the Encore at Wynn Macau, located in the Macau Special Administrative Region of the People's Republic of China. The other 27.7% of Wynn Macau, Ltd is publicly owned and traded on the Hong Kong Stock exchange.

The officers of **Wynn MA** are Mathew Maddox, President and Treasurer; Kimmarie Sinatra, Senior Vice President/Secretary.

The above referenced individuals also hold positions with **Wynn Resorts** as set forth below and are deemed individual qualifiers in connection with the within application for a Category 1 gaming license.

The officers of **Wynn Resorts**, each of whom has been deemed an individual qualifier for purposes of this application and discussed in this Suitability Report, are Stephen A. Wynn, Chairman of the Board & Chief Executive Officer; Matthew Maddox, President & Chief Financial Officer; John Strzemp, Executive Vice President & Chief Administrative Officer; and Kimmarie Sinatra, Senior Vice President, General Counsel & Secretary.

The following individuals**,** each of whom has also been deemed an individual qualifier for purposes of the within application and discussed in this Suitability Report, serve as Members of the **Wynn Resorts** Board of Directors: John J. Hagenbuch, Director; Dr. Ray R. Irani,

Director; Robert J. Miller, Director; J. Edward Virtue, Director; Alvin V. Shoemaker, Director; D. Boone Wayson, Director; and Elaine P. Wynn, Director.

Stephen A. Wynn ("Steve Wynn") is founder, Chairman and Chief Executive Officer of **Wynn Resorts** and a 9.9 percent beneficial owner of the common stock of **Wynn Resorts**. Steve Wynn is also the Chairman, Chief Executive Officer and President of Wynn Macau Ltd. In addition to her Director position, Elaine Wynn, former spouse of Steve Wynn, is a 9.7 percent beneficial owner of the common stock of **Wynn Resorts**.

In Wynn's former position as Chairman of the Board, President and Chief Executive Officer of Mirage Resorts, Incorporated, ("Mirage Resorts") he built The Mirage, Treasure Island and Bellagio in Las Vegas, Nevada. Wynn has been credited with ushering in a new era for the Las Vegas strip with the opening of the Mirage in November 1989. In this regard, The Mirage, consisting of elegant hotel suites, an erupting volcano, fine dining and shopping, as well as other entertainment and attractions designed to attract middle and upper class tourists, raised the bar and precipitated a building boom in Las Vegas of destination resort complexes by other casino operators as well. In October 1994, Steve Wynn opened Treasure Island, another luxury resort, which featured a full-sized pirate ship, with a regularly scheduled live performance of a pirate ship battle acted out in front of the resort. Steve Wynn then opened the Bellagio in October 1998. The Bellagio featured luxury guest rooms, a fine art gallery, high-end retail stores and the "dancing waters" attraction, consisting of shooting fountains choreographed to music. In 1999, Steve Wynn oversaw development of the Beau Rivage, a 1,835-room luxury resort in Biloxi, Mississippi.

After selling Mirage Resorts in June 2000, Steve Wynn formed **Wynn Resorts**. As Chairman of the Board and Chief Executive Officer of **Wynn Resorts**, Steve Wynn has developed Wynn Las Vegas, which opened on April 28, 2005; Wynn Macau, which opened in September of 2006; Encore at Wynn Las Vegas, which opened December 22, 2008; and Encore at Wynn Macau, which opened on April 21, 2010.

The Las Vegas operations (Wynn Las Vegas and Encore at Wynn Las Vegas) consist of approximately 186,000 square feet of casino space, two luxury hotel towers with a total of 4,750 hotel rooms, suites and villas, 35 food and beverage outlets, a Ferrari and Maserati

automobile dealership, 94,000 square feet of high-end, brand-name retail shopping, an 18-hole golf course, swimming pools, private cabanas and two full service spas and salons.

The Macau facilities (Wynn Macau and Encore at Wynn Macau) include 265,000 square feet of casino space, two luxury hotel towers consisting of 1,008 hotel rooms and suites, casual and fine dining in eight restaurants, approximately 54,600 square feet of high-end and brand-name retail shopping, spas, lounges, and meeting facilities. **Wynn Resorts** is also currently constructing Wynn Palace, which is described as a full scale integrated resort in the Cotai strip of Macau.

IV. APPLICANT SITE

As detailed in this report, **Wynn MA, LLC** ("**Wynn MA**") has chosen the parcel of land currently owned by FBT Everett Realty, LLC and located within the City of Everett, MA. The particular legal description of the subject property may be found at Exhibit 1. For a more conceptual understanding of the parcel's scope and current appearance, see Exhibits 2 and 3 also included with this report for pictorial representations of the specific area to be developed for the casino and related facilities. The current ownership of the property is detailed thoroughly in this report inclusive of the issues raised during the IEB investigation of the property. **Wynn MA** has performed the necessary title searches and is in the continuing process of evaluating the property for the necessary environmental remediation that will be required to return it to usable developmental commercial use.

Although **Wynn MA** has two options to purchase approximately 37 acres total, one option being for a small parcel of property in the City of Boston and the other for a larger parcel in the City of Everett, **Wynn MA** intends to construct the gaming facility solely upon the Everett portion of the property. As such a Host Agreement was entered into between **Wynn MA** and the City of Everett on April 19, 2013, the terms of which generally call for pre-opening payments of $30,000,000; property tax payments starting at $20,000,000; community impact payments of $5,000,000; development payments of $250,000; the opportunity to host events at local venues periodically; a good faith effort at local procurement; and various other improvements for the City of Everett to include streets, shuttle service and environmental remediation.

Wynn MA's option to purchase contract will be fully executed upon award of a gaming license by the MGC thus effectuating full transfer of property ownership to **Wynn MA**'s control.

In regard to the facility itself, **Wynn MA** has planned a 350-500 room luxury hotel with average room size of at least 600+ square feet. This size room is a feature that the applicant indicates is one of the largest standard rooms in use in the industry. The quality of the room fitment and service level is intended to appeal to customers seeking a luxury experience. Multiple restaurants with special decorative environments will flank the casino and provide outdoor terracing overlooking the Mystic River will be combined with spa and high end retail space.

Gaming is planned for a 150,000 square foot casino featuring 2,500-3,000 slot machines and 100-150 table games oriented in a "plus" shape with four distinct quadrants within the casino. Approaches to the facility are planned to be lushly landscaped on 25+ acres to create a resort atmosphere in an essentially urban location. A "river-walk" and park available to the public are also planned for integration into the facility. Finally, the Wynn brand and large existing marketing and database will be utilized to aggressively cross market the Massachusetts property to ensure maximum patronage. The applicant has indicated a target of between 15,000-20,000 visitors per day to the property as its initially stated goal.

If the applicant is found suitable in Phase One, then substantially more detailed information will be presented regarding the facility, property development and overall applicant casino development intentions. The above information is intended to be introductory and is provided for general orientation as relevant only to the IEB suitability evaluation as appropriate.

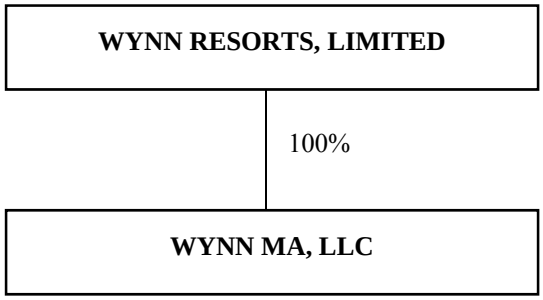
V. DESCRIPTION OF APPLICANT'S OWNERSHIP

As reported above, the applicant herein, **Wynn MA, LLC** ("**Wynn MA**") is a Nevada Limited Liability Company, registered as a foreign Limited Liability Company in Massachusetts. **Wynn MA** is wholly owned by **Wynn Resorts, Limited** ("**Wynn Resorts**") which is a Nevada corporation publicly traded on the NASDAQ.

As of December 31, 2012, Stephen Wynn ("Steve Wynn"), the Founder, Chairman and Chief Executive Officer of **Wynn Resorts** is listed as the beneficial owner of 9.9 percent of the

common stock of **Wynn Resorts**. Elaine Wynn, former spouse and current member of the Board of Directors for **Wynn Resorts**, is listed as holding 9.7 percent of the common stock of **Wynn Resorts**. As of December 31, 2012, Steve Wynn and Elaine Wynn, along with the Wynn Resorts Directors and Officers holding Wynn Resorts common stock,[1] as a group, held 20.5% of the common stock of Wynn Resorts. The remainder of the **Wynn Resorts** common stock is publicly owned and traded on the NASDAQ.

The following tables provide a description of the ownership and organizational structure of **Wynn MA** and **Wynn Resorts**. It is to be noted that **Wynn Resorts** has several subsidiary and affiliate companies, none of which were deemed as entity qualifiers for purposes of the within suitability investigation. (See Exhibit #4.) It is to be further noted, however, that the gaming operations of the Wynn Las Vegas and Wynn Macau casino properties were thoroughly reviewed as part of this investigation and are discussed at length in the within Suitability Report.



VI. SIGNIFICANT ISSUES

[1] No one Director or Officer individually owns more than one percent, other than Steve Wynn and Elaine Wynn.

A. MACAU

1. Introduction

Wynn Resorts, Limited ("**Wynn Resorts**") owns 72.3% of Wynn Macau, Ltd., the other 27.7% being publicly owned and traded on the Hong Kong Stock exchange. Wynn Macau, Ltd. operates a resort destination casino, known as the Wynn Macau, located in the Macau Special Administrative Region of the People's Republic of China. Macau is located 37 miles southwest of Hong Kong, which is about an hour away by ferry. Macau consists of a peninsula extending from mainland China and two neighboring islands, Coloane and Taipa.

In terms of gaming revenue, Macau is the top grossing gaming jurisdiction in the world. In 2012, Macau gaming revenues were $38.1 billion, a 13.5% increase over the $33.5 billion generated in 2011. By comparison, in 2012 the Las Vegas Strip had gaming revenues of $6.2 billion and, according to the American Gaming Association, the 2012 gaming revenue for all commercial (non-tribal) casinos in the entire United States totaled $37.3 billion. The number of tourists arriving in Macau in 2012 was 28.1 million, 60% of whom come from mainland China, and 30% of whom come from Hong Kong and Taiwan.

The gaming sector is important to the Macau economy, and Macau's government levies a 35% tax on gross gaming revenue. Macau's tax collections from the gaming sector in 2012 totaled $13.9 billion, which accounted for 87.5% of total government revenue.

Wynn Macau opened in 2006 and has undergone subsequent expansions, the latest being the "Encore at Wynn Macau" in 2010. The entire casino hotel will be referred to herein as Wynn Macau ("WM"). WM currently contains 1,008 hotel rooms and suites, 495 table games, 835 slot machines, and a poker pit in 275,000 square feet of casino gaming space which includes "sky casinos" and private gaming salons, casual and fine dining restaurants, spas, lounges, meeting facilities, and an additional 55,000 square feet of retail space featuring high-end boutiques. **Wynn Resorts** is also developing an additional 1,700 room resort casino hotel, known as Wynn

Palace, projected to open in 2016 in the Cotai strip, a section of reclaimed land between Coloane and Taipa Islands.[2]

Wynn Resorts' entry into the Macau gaming market has been a financial success. Since it opened in 2006, Wynn Macau operations have been the Company's most significant source of revenues by a wide margin each year. Wynn Macau's 2012 net revenues of $3,667,454,000 (gross revenues reduced by promotional advances) represent approximately 71 percent of Wynn Resorts' total revenues, and Wynn Macau's business generated approximately 74 percent of adjusted EBITDA to total adjusted EBITDA in 2012. Financial data confirm that WM is a significant contributor to **Wynn Resorts**' 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 operations to **Wynn Resorts**, and in light of the issues arising from use of the gaming promoter system as outlined below, Wynn's Macau operations were examined closely.

2. Brief History and Overview of Casino Gaming in Macau

a. Pre-1999 Casino Gaming in Macau

Macau is located off the southern coast of China, 37 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.[3] In 1937, the first casino franchise – a monopoly - was granted by Macanese authorities. In 1961, the Governor of Macau designated the island a "permanent gaming region" and officially positioned Macau as a low tax jurisdiction with gaming and tourism as major economic activities. Also in 1961, the Macanese government

[2] During the course of the litigation between Kazuo Okada and **Wynn Resor**ts detailed elsewhere in this Report, Mr. Okada suggested publicly that **Wynn Resorts** may have acted improperly in connection with the company's acquisition of the land for its Cotai project. Based on this allegation, this matter was thoroughly examined by the IEB, and no impropriety on the part of **Wynn Resorts** involving its Cotai land acquisition was found.

[3] Macau has a history of unsanctioned gambling stretching back to the 16th Century.

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 subcontracted 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 U.S. – China Economic and Security Review Commission's *2013 Annual Report to Congress*, issued on November 20, 2013 and referred to hereinafter as "USCC *Annual Report*".[4,5]

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[4] 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 U.S. – China Commission's goal is to make recommendations to Congress for appropriate policy and legislative changes. The U.S. – China 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.

[5] By including references to the USCC *Annual* Report in this Investigative Report, the Investigators do not mean to suggest that the MGC should espouse the USCC's recommendations to Congress, or that the views expressed in the USCC *Annual Report* are beyond debate. Rather, the Investigators have included references to the USCC *Annual Report* in order that the MGC may consider them, to the extent that the MGC deems appropriate within its wide discretion, as part of its overall suitability determination of this Applicant.

b. 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.[6] Significant interest from American gaming operators ensued. All in all, there were 21 bids submitted for these three concessions, including a bid from Wynn. In 2002, three companies were awarded concessions: Wynn Resorts (Macau) S.A. (Wynn); Sociedad de Jogos de Macau (SJM), owned by STDM, Stanley Ho's company; 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. Wynn sold a concession to Melco PBL Jogos (Macau), S.A. (now Melco Crown), a partnership between Melco and PBL, an Australian operator. And SJM sold a concession to the MGM Grand Paradise, S.A. 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 (23 of them located in the

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

Macau peninsula and 12 on Taipa Island). Three of the six concessionaires 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) 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 USCC *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* 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 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[7], 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."

c. 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 in Macau are generally compensated based either on a revenue share arrangement or a commission based on turnover. A paramount benefit offered by Gaming Promoters is their ability to extend credit to mainland Chinese players, which the casino will generally 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.

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

The activities of Gaming Promoters authorized under Macanese law extend to certain financial transactions generally reserved to casinos themselves in US jurisdictions. For example, Wynn Macau has entered into contracts whereby reserved areas of its gaming space are assigned to each of the Gaming Promoters with which it operates 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. The particular procedures, oversight and training utilized by Wynn Macau with respect to its Gaming Promoter rooms are discussed later in this section.

The Gaming Promoters are licensed by the DICJ. The vast majority of the Gaming Promoters 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, it appears 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 or commissions to their Gaming Promoters, which is then advanced to the customer through the network of collaborators. 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 by the casinos, 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 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.[8]

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 mere identification of an individual as being affiliated with a triad does not necessarily, in and of itself, indicate criminality. This distinction was addressed in the testimony of Chairman Burnett before the USCC:

> [T]riads are—I hate to use the word "infiltrating," because that word has a negative connotation -- but, as you know, there are

[8] USCC Transcript (see note 3 *supra*) at 41, 42.

> Triad activities that are bad. However, there are triad activities that are good. There are a lot of philanthropy activities related to some of the triads. In fact, I see that you were on the board of directors for Goodyear Tire. If Goodyear Tire did business in China in any capacity, Goodyear Tire probably touched a triad related organization, be it a laundromat, be it some philanthropy service, or be it an actual triad group that might be attempting to conduct some illegal activities. And that's the case in Macau. There are triads in Macau. However, it would be my opinion that with the entrance of our Nevada gaming licensed operators, much of those triad activities have actually decreased in one fashion or another.[9]

In a similar vein, Mr. Wynn, and by extension **Wynn Resorts** and WM, view the risks posed by casino gaming in Macau as primarily involving illegal activity at, or related to, WM. As explained by Mr. Wynn in his sworn Massachusetts investigative interview:

> [I]t's really important in this murky world of whose name is who and who's hanging around, what is anybody doing that's wrong? Let's try and come up with some allegations of misconduct that would be likely or possible there.
>
> That's the thing that I have to keep my eye on. Where is the possibility of our business or our association being used for illicit purpose? That's the most important thing because that's the thing that we're responsible for, and everything else is sort of chasing your tail in a circle.
>
> ….
>
> There are triad members that are engaged in criminal activity, and there are people associated with the triads who have nothing to do with criminal activity. The association with the triad, in and of itself, is not the same as membership in the Cos[a] Nostra or the mafia.
>
> And law enforcement people in Asia will explain that to any other law enforcement agency that wants to talk to them. So you have to know is this a person engaged or involved with criminal activity directly or as part of an organization that's directly involved?

[9] USCC Transcript at 70-71.

> Those are the kinds of people that we avoid. And that's what our investigations seek to do.
>
> So your hypothetical about someone in the Cos[a] Nostra having a business relationship with me in Massachusetts would be an instant disqualifier for that person.[10]

Similar comments were made by Mr. Wynn in his testimony before the Massachusetts Gaming Commission on October 17, 2013.[11]

d. Legal and Regulatory Scheme Governing the Gaming Promoter System in Macau

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.[12] The primary casino regulatory body is the Gaming Inspection and Coordination Bureau (Direcção de Inspecção e Coordenação de Jogos) of the Special Administrative Region. The Bureau is usually known by its Portuguese acronym, DICJ. This legal and regulatory 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

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[10] Stephen Wynn Transcript at 165, 169-170 (Sept. 9, 2013).

[11] See Transcript at 139 (Oct. 17, 2013), http://massgaming.com/wp-content/uploads/Transcript-10.17.13.pdf ("[M]ost importantly I'm interested in one thing, Commissioners, is there anything unlawful going on in my building.")

[12] 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.

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). Wynn Macau informed Investigators that it believes Mr. Glaser to be incorrect on this point and that Macanese authorities have ordered casinos, including Wynn Macau, to freeze funds for a variety of reasons on many occasions.

Under the governing laws and regulations, the network of collaborators and subjunket operators behind each Gaming Promoter is <u>not</u> subject to licensing and vetting. Consequently, there may be an increased risk that criminal 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 criminal 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 USCC *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 Wynn Macau would knowingly associate with unsuitable persons. However, it is with this backdrop that Wynn Macau 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 Wynn'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).

Notwithstanding the continuing evolution of AML rules in Macau, the USCC identified shortcomings which, in the USCC's view, persist in Macau's gaming sector regulation:

> Although casinos and junket promoters are licensed by Macau's gaming regulator, there remain significant vulnerabilities with unlicensed junket operators, junket affiliates, and satellite casinos that play an integral role in Macau's gaming system. These entities are not subject to the same regulations and reporting requirements

> as licensed entities and thus are more susceptible to money laundering and influence from organized crime ….
>
> Macau's junket operators are not subject to the same transparency requirements as casinos, and strict privacy controls prevent U.S. regulators from obtaining information on individuals operating in Macau subsidiaries of U.S. parent casinos. The Macau SAR Gaming Inspection and Coordination Bureau (Portuguese acronym, DICJ), Macau's gaming regulator, is also only required to publically disclose the names of licensed junket promoters in Macau and does not disclose financial information. More importantly, information about the unlicensed junket operators, their affiliates, and third-party satellite casinos is inaccessible to the public and regulatory counterparts overseas. The lack of information presents difficulties in determining the origin of money flowing through such operations, and U.S. state regulators do not have the authority or resources to independently conduct investigations in Macau or other foreign jurisdictions.[13]

The USCC Report also noted that, with regard to Macau's standing vis-à-vis international financial regulatory bodies:

> The premier international standards for effective anti-money-laundering and combating the financing of terrorism are set by the Financial Action Task Force, a multinational body established in 1989. The organization, of which the United States and Macau are both members, has created a list of 40 recommendations to prevent money laundering and the financing of terrorism. Macau is subject to a periodic review of its compliance with the recommendations as a member of the Asia-Pacific Group on Money Laundering, Asia's regional Financial Action Task Force body. The most recent evaluation of Macau's compliance with Financial Action Task Force recommendations was conducted in 2006 and published by the Asia-Pacific Group in 2007. Macau's next evaluation will occur in 2015 or 2016, and its compliance will be gauged against a new set of Financial Action Task Force recommendations that were revised in 2012.
>
> The 2007 evaluation recognized the risk of money laundering in Macau's gaming sector and noted multiple deficiencies in its anti-money-laundering and counter-terrorist-financing framework. Ac-

[13] USCC Report at 365-366 (footnotes omitted).

> cording to the report, ‘‘[Macau’s] close proximity [to the] border with [the] PRC and its open economy do pose a threat to ML/FT [money laundering and financing of terrorism] activities.” The evaluation also discovered several specific deficiencies in Macau’s compliance with the Financial Action Task Force recommendations, including the refusal to respond to foreign requests to freeze assets, the inability to effectively implement UN Security Council resolutions on the financing of terrorism, and the inability of Macau’s Customs Service to investigate money-laundering cases. Other shortcomings specific to the gaming sector included a lack of a risk- based assessment of gaming customers and operators, inadequate inspection and oversight of casinos and junket operators and promoters, a lack of communication among gaming regulators, and a high threshold ($62,500) for reporting large transactions at casinos. In the report, Macau received a ‘‘compliant’’ rating in only seven of a total of 49 recommendations, with the majority receiving a rating of only 30‘‘partially compliant.’’ Against the same recommendations, the United States was ‘‘compliant’’ in 15 of 49 recommendations in its 2007 evaluation, with the majority receiving a rating of ‘‘largely compliant.’’[14]

3. Gaming Promoter System at Wynn Macau

At the outset, it is noted that Wynn Macau is in good standing with the regulatory authorities in Macau, and Wynn has never been, nor is it currently, the subject of any complaint or disciplinary action in any jurisdiction in which it operates based on its activities or operations in Macau.

Wynn Macau currently has 12 Gaming Promoters. At the time when Investigators traveled to Macau in June and August 2013 as part of this suitability investigation, Wynn Macau had 14 Gaming Promoters. Since that time, according to Wynn Macau, its contracts with two of those Gaming Promoters terminated for their lack of performance. In 2012, Wynn’s Gaming Promoters generated gaming revenue approximating two thirds of Wynn Macau’s total gaming revenues and approximately 30 percent of Wynn Macau’s profits. Each of Wynn Macau’s 12 Gaming Promoters has its own gaming space within the facility, and in those spaces the Gaming

[14] USCC Report at 363-364 (footnotes omitted).

Promoters control an aggregate of approximately 152 table games, mostly baccarat. The size of each Gaming Promoter's operation varies and ranges in size from approximately one gaming table to approximately 28 gaming tables in the Promoters' dedicated areas. According to Mr. Wynn, Gaming Promoters at Wynn have to do a minimum of [redacted] USD "in turnover" to be a Gaming Promoter at Wynn.

Wynn Macau's 12 Gaming Promoters are solely responsible for bringing customers to their respective operations. Wynn 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 under the surveillance of the Wynn Macau and DICJ. Further, according to the governing law and regulations, in the VIP rooms, the Gaming Promoter is responsible for anti-money-laundering ("AML") efforts, and each Gaming Promoter designates an AML Coordinator. The Gaming Promoters' AML Coordinators, like all employees of the Gaming Promoters, are not licensed by Macau gaming regulators. Only the principals and owners as disclosed on the licensing application are subject to vetting and licensure by DICJ. Wynn does provide AML training (with annual refresher training) to the Gaming Promoters' employees, including the AML Coordinators in the Gaming Promoter rooms. Wynn also takes steps beyond those required by the DICJ regulations by performing background checks on those employees of the Gaming Promoters working in the Wynn Macau casino, including the AML Coordinators. The scope of the background checks on the Gaming Promoter employees mirrors that conducted on Wynn Macau's employees for its mass gaming floor and its own VIP gaming rooms. The checks on incoming junket staff are comprised of a global risk intelligence database check (Worldcheck, Wisers, Lexis Nexus, etc.); local and international media database checks; criminal record checks from the individual's jurisdiction; litigation checks for any reported or ongoing civil cases; bankruptcy checks; potential conflict of interest reviews (e.g. family members working for Wynn or registered vendors for Wynn); company background check (for junket head only); property ownership check (for junket head only); patron management check to determine the existence, if any, of gambling history at Wynn Macau; internal records check to determine

whether there has ever been an incident with the individual inside the Wynn Macau premises; check of Macau DICJ casino list of banned persons; previous employment history check; other local checks with law enforcement and/or databases, as deemed appropriate.

The Gaming Promoters at the Wynn Macau are paid [redacted]

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. Consistent with DICJ regulations, the Gaming Promoters are required to file with the Wynn Macau 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. When Investigators initially requested a list of Wynn Macau's subjunkets, Wynn Macau gave Investigators a list containing [redacted] names. However, as Mr. Wynn readily acknowledged, there were many more. Mr. Wynn stated in his sworn interview with Investigators that "we have reason to believe, based on conversations, that some of these junket operators have 100 or more subjunket operators" and that the junket system is a "giant, entrepreneurial pyramid scheme." When Investigators asked him how Wynn Macau keeps track of all the subjunkets that bring the customers in, Mr. Wynn stated, "It's almost impossible because they multiply like rabbits." Background investigations of these collaborators/subjunkets are not required under the regulatory scheme, and Wynn Macau does not perform background investigations on them.

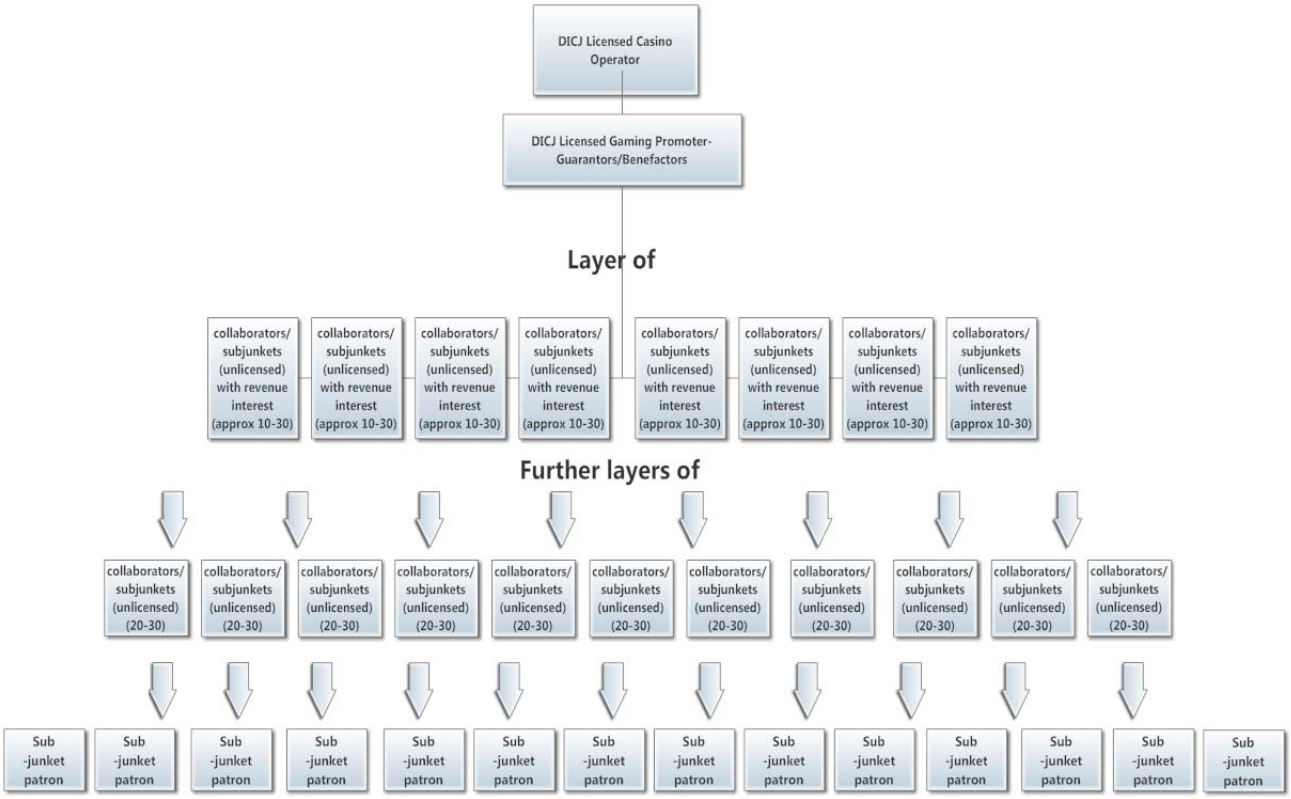
As stated above, Wynn Macau does conduct due diligence on the Gaming Promoters' employees who work within the Wynn Macau, including those employees who operate the

financial cages in the Gaming Promoter rooms, as well as the Gaming Promoters' Anti-Money Laundering Coordinator, also an employee of the Gaming Promoter. These employees of the Gaming Promoter are not subject to licensure under Macau's regulations, and Wynn Macau goes beyond the requirements of Macanese law and regulations by performing these background investigations.

According to Mr. Wynn and executives at Wynn Macau, Wynn Macau provides to its Gaming Promoters short-term advances of their commissions, based on their history and volume. These advances are provided in the form of non-negotiable gaming chips which can be redeemed only at the Wynn Macau and are exclusive to that particular Gaming Promoter's room. The advance from the Wynn Macau is extended directly to the Gaming Promoter. Also according to Mr. Wynn and executives at Wynn Macau, the account for each of Wynn Macau's Gaming Promoters is paid to a zero balance each month. During the interviews with eleven of Wynn Macau's Gaming Promoters, Investigators were told that this credit type arrangement reaches amounts [redacted]. Wynn Macau advances commissions to the Gaming Promoters, and the Gaming Promoters in turn advance credit to the customer through the collaborator distribution system. Wynn Macau executives made clear that Wynn Macau is not involved with the Gaming Promoter-to-customer credit issuance and collection process. Further, although there are internal Wynn Macau policies and procedures applicable to the issuance of credit and collection with respect to gaming customers of the Wynn Macau mass gaming floor and in the Wynn Macau's own high limit rooms, these same Wynn Macau policies and procedures regarding credit are not applicable to gaming customers of the Gaming Promoter rooms.

The credit system as described by Wynn Macau executives comports with DICJ regulations. Nonetheless, under these procedures, Wynn Macau is unaware of the manner in which credit is extended to, and debts collected from, Wynn Macau's own customers that game in the Gaming Promoter rooms. Under this system, Wynn 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.

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



The **Wynn Resorts** security department is headed by James Stern, retired chief of the FBI's Asian Criminal Enterprise Unit. The Wynn Macau security department is headed by Danny Lawley, retired Hong Kong Police Force Superintendent. Stern communicates with Lawley several times a week. Background checks are conducted by a full-time investigative staff of 14, which at Wynn Macau includes two triad experts with 25-30 years of organized crime experience with the Hong Kong police, as well as a former Macau detective, all of whom are charged with looking for possible criminal triad influence in Wynn Macau junkets.

Investigators examined the due diligence employed by Wynn Macau in determining whether a particular Gaming Promoter is a suitable business associate. On this point, Stern told the Investigators that the background checks on the Gaming Promoter applicants consist of records checks (e.g., Worldcheck Database check, media searches, confidential sources including

law enforcement, and police clearance records from home jurisdictions and Macau). Also according to Stern, Gaming Promoter background reports are updated in full twice per year, and are then submitted to the DICJ and Nevada Gaming Control Board (NGCB) to the extent possible under Macau privacy laws.[15] These background investigations seldom, if ever, include interviews with the Gaming Promoter applicants themselves, although personal interviews are conducted by Ms. Chen prior to referral to corporate investigations. Wynn Resorts' Compliance Committee reviews the background investigations on new Gaming Promoter applicants before that Gaming Promoter is approved. Relationships between Wynn Macau and its Gaming Promoters are contractually based, with provisions for the contracts' termination within 48 hours as may be deemed necessary.

As these examples show, when negative information regarding junket personnel or activities comes to Wynn's attention, the Company's approach is to refer unsubstantiated or unverifiable information, as well as unconfirmed intelligence information, to the DICJ, NGCB, or other appropriate agency. The Company considers such agencies closer to law enforcement agencies than the Company itself, and does not follow up on the information or take any other action unless directed to do so by either the gaming regulator or other law enforcement agency. Wynn Macau's approach in this regard is discussed in more detail in the Compliance section of this Report.

The following is an example where Wynn's additional due diligence proved successful. During an interview of the Chief Operating Officer of Wynn Macau, Linda Chen informed the Investigators that applicants for a Junket Promoter license must first get a clearance from DICJ before "they are even looked at by Wynn." After receiving the clearance from DICJ, Wynn will then conduct its own background investigation on the applicant. In December 2006 a female Junket Promoter was approved by DICJ to receive a transfer of ownership from one of Wynn's Junkets. During an ensuing background investigation conducted by Wynn Macau Corporate Investigation, it was learned that this woman was acting as a "front" for her boyfriend/husband

[15] The Macanese Privacy Act of 2006 is subject to interpretation, but essentially forbids businesses in Macau from exporting data on individuals to any other country. This statute, therefore, may preclude U.S. regulators from obtaining certain information even from their own licensees concerning the licensees' Gaming Promoters and customers in Macau.

who had triad associations and a significant criminal history. According to Wynn's Corporate Background Investigative Report on this Junket Promoter, Wynn Macau determined these individuals to be unsuitable business associates and thereafter suspended their operation until January 2007 when the shares in the Junket were sold back to the original licensed promoter.

Investigators conducted interviews of 11 the Gaming Promoters operating at Wynn Macau.[16] See Exhibit 5. Among other things, Investigators inquired about the ownership arrangements of the Gaming Promoters. Investigators also examined whether Wynn takes steps to independently establish the ownership arrangements of Gaming Promoter applicants other than to rely on the applicant's self-report of that information on the DICJ application form. On this point, Investigators note that during the review of one of the Corporate Security Background Investigative Reports conducted on one of Wynn Macau's Gaming Promoters, the report read that the licensed Promoter is a "close associate" of an individual ("individual") identified as an "alleged" senior member of a specific triad group. During the Investigators' interview of an employee ("employee") of this Junket ("XXXX") in August 2013, which Stern attended, the employee was asked about this individual's relationship with the Junket. The employee identified this individual as the Junket Promoter's husband. The employee further stated that the individual is her "big boss." In December 2013, the Investigators asked Stern if any further investigation had been undertaken regarding this Junket, its ownership structure and this "individual's" alleged position in the Junket as a result of what had been stated during the August interview. The following is Stern's e-mail response to the Investigators' inquiries:

> We update our contracted junket reports semi-annually, and no extraordinary work has been done as a result of [employee's] interview in August of 2013. Our reports reflect that ["individual"] may possibly be associated with the [redacted] Junket, but there is no documented ownership. Our reports are provided to DICJ and Nevada GCB semi-annually; and we monitor this matter constantly. As we have previously advised, Wynn Corporate Investigations completes and updates (semiannually) backgrounds on contracted Junkets. The [redacted] contact,

[16] At the time of the submission of this Report, there are 12 Gaming Promoters at Wynn Macau. At the time when Investigators conducted the interviews of the 11 Gaming Promoters, there were 14. The contracts with two of the 14 terminated for lack of performance.

> Operational "Boss" and Licensee is (licensed Junket Promoter). This is supported by the official government gaming application submitted to DCIJ, and our significant and continual interaction and observation of operations on the premises of Wynn Macau. Prior investigation suggests that ("individual") may somehow be affiliated with this Junket, but this has not been substantiated. As previously advised, we do not act upon raw intelligence, market rumor or innuendo. We cannot speculate as to the meaning of the statement of (employee). The term "Big Boss" could have a multitude of meanings, and notably could relate to an ultimate relationship not directly related to the day to day operations in Wynn Macau. We concentrate on the activity within our casino and between Wynn Macau and its contracted partners. As previously advised, all of our security reports are provided to regulators in both Macau and Nevada; each of whom may be considered closer to law enforcement agencies than ourselves. We have received no requests for action regarding this junket from either regulators or other law enforcement agency.

On December 3, 2013, the Investigators asked General Counsel Kim Sinatra whether there was anything preventing Lawley from inquiring directly of this Gaming Promoter about the veracity or lack of veracity of this "unsubstantiated" information, and Sinatra answered that nothing prevented such an inquiry. See also Exhibit 6.

It is important to emphasize that this investigation confirms that Wynn Macau is fully compliant with DICJ's regulatory requirements, and that Wynn Macau has at times, as discussed above, gone beyond the DICJ's requirements. Further, as Mr. Wynn and Wynn Macau executives have explained, Wynn Macau's approach to learning of negative but unsubstantiated information, including unconfirmed intelligence reports, is to refer the matter to its corporate Compliance Committee.[17] Also, according to Mr. Wynn and Wynn executives, Wynn *voluntarily* keeps regulators, including domestic regulators, apprised when such unconfirmed or unsubstantiated information of concern comes to its attention. It is recommended that the Commission hold an adjudicatory hearing to give Wynn the opportunity to satisfy the

[17] The Compliance Plan and Compliance Committee are discussed in a prior section of this Report.

Commission that its practices in Macau are "responsible business practices in any jurisdiction." See M.G.L. c. 23K, § 12(b)(ii).

a. Anti-Money Laundering Policy

Since opening in 2006, WM has had anti-money laundering ("AML") policies and procedures in place for its employees, as required by both Macau law and **Wynn Resorts**' corporate compliance standards. Macanese regulations govern the anti-money laundering efforts of Wynn Macau's Gaming Promoters. Junket transactions and the filing of high value transaction reports are subject to regulatory audits.

WM's internal audit and gaming compliance departments work closely with and audit junket transactions for compliance with AML rules and regulations. WM surveillance includes the VIP room cage and transactions are recorded on video. Junket outgoing and incoming transactions are also monitored by DICJ and the Financial Intelligence Office (GIF). In every VIP room, including the Gaming Promoter VIP rooms, WM supplies the tables, dealers, supervisors, security, surveillance, and drop boxes into which winnings are deposited. Those winnings are accounted for in the WM casino count room by WM employees under the supervision of the DICJ. Both WM and the DICJ conduct periodic training of junket personnel in AML policies and procedures.

Regarding AML procedures, legal and regulatory requirements mandate that Gaming Promoters create and file high value transaction reports ("HVTR") for transactions over $62,500 USD. WM's internal policy is to begin tracking of transactions at $25,000 USD, whereby a patron must at this lower threshold provide the basic information required for an HVTR. When a proposed financial transaction between a patron and WM reaches the lower internal tracking threshold of $25,000 USD or the government required threshold of $62,500 USD for an HVTR, failure by the patron to produce government issued identification, source of funds and an address result in the refusal of the transaction and, typically, the filing of an STR. The Macau requirements are somewhat more stringent in application as they apply to all financial transactions including wire transfers and check deposits, not just pure currency transactions as in the U.S. It is noted that during the Interviews with the 11 gaming promoters, two of the Gaming

Promoters told Investigators that they never file STRs, one stated they have not filed an STR, four stated that they comply with STR filing requirements, and the issue was not addressed with the remaining four Gaming Promoters. One of the Gaming Promoters who stated that they never file STRs said that they do not file them because the Gaming Promoter never allows players to bet if inadequate information exists concerning the player.

It is against Wynn Macau's policy to convert funds received from a patron to another form of funds. According to Wynn Macau's policy, cash received as a deposit for gaming will be returned as cash in the same currency, and wires received will be returned in the same currency to the same account from which they originated. Similarly, according to Wynn Macau's policy, funds received via wire transfer or check may only be used to purchase gaming chips, and Wynn Macau's policy is not to cash out, except in *de minimis* amounts to known customers for pocket money, funds received by wire transfer or check. Transactions involving the cash out of chips require verified proof, through ratings and surveillance, that the individual requesting the cash out has gaming winnings to support the cash out. Third party wire transfers from overseas remittance agencies such as Western Union are not accepted, per Wynn Macau policy. Other third party wire transfers require that the identification of both the remitter and the beneficiary, along with a verifiable nexus between the two, be received before the proceeds are released or the proceeds will be returned.

As stated, all WM staff and all gaming promoter staff who handle financial transactions receive AML training from the WM gaming compliance group prior to commencement of employment at WM. The training is refreshed on an annual basis. WM dealers, gaming supervisors, and pit managers - all trained in WM's AML policies and procedures - directly operate and oversee all gaming tables in the Gaming Promoter rooms. WM surveillance systems are installed in all junket cages for monitoring of cage transactions and DICJ regularly accesses the entire WM surveillance system on a real time basis.

b. Politically Exposed Persons and Office of Foreign Asset Control

WM investigators conduct due diligence investigations regarding any possible Politically Exposed Persons ("PEPs") on WM premises. WM attempts to identify everyone that gambles at

the casino through room registration, comps or surveillance cameras, although this difficult to do in the VIP rooms. Moreover, customers who do not want to register with the casino are not required to do so. Attention is focused on the gambling habits of politically connected citizens out of concern for the appearance of public corruption. These persons are vetted by WM to ensure that their gambling habits appear consistent with their positions.

WM has a PEP and Office of Foreign Asset Control ("OFAC") policy applicable to all customers of WM. WM screens its patron database on a continual basis using the Worldcheck database, and employs PEP, OFAC, Terrorist Watch List and Crime and Fidelity filters and reviews any patrons who flagged in any of these areas. Any patron flagged as a potential risk is reviewed by the PEP Committee (comprised of the CFO, General Counsel and Director of Gaming Compliance) and, if required, banned from partaking in financial transactions with WM. Wynn has also stated that STRs are filed as needed. If a patron is identified as posing an OFAC or Terrorism risk, the police and GIF are to be immediately notified and the patron immediately banned according to WM policy.

c. Employee Code of Conduct

Wynn Macau has an Employee Code of Conduct that generally prohibits malfeasance by WM employees, with the penalty of termination and referral to the authorities.

d. Foreign Corrupt Practices Act

The **Wynn Resorts** Foreign Corrupt Practices Act ("FCPA') policy prohibits payments to foreign government officials. The policy is updated on a frequent basis to remain "state of the art" with current FCPA best practices. When applicable, these policies and their corresponding procedures are implemented at an operating level through training, including annual refresher training, at WM. The policies are overseen by a property level compliance committee, composed of senior WM financial, legal, internal audit, and operational executives, which

committee reports to the **Wynn Resorts**' Corporate Compliance Committee.[18] WM's internal audit continually audits and tests WM's compliance with the FCPA policies.

8. Conclusion

It is recommended that the Commission hold an adjudicatory hearing to give Wynn 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).

[18] See also the discussion of FCPA training in the Okada Litigation section of this Report.

B. OKADA

Wynn Resorts, Limited ("**Wynn Resorts**") has been embroiled in a controversy with a former major investor in the company, Kazuo Okada ("Okada"). The investigation reviewed many pages of documents, interviewed **Wynn Resorts** personnel and took sworn testimony on the subject from Steve Wynn. Based on that review, the IEB reports the following. It should be noted that the IEB was unable to interview Okada. He was invited to provide evidence, but declined to do so. Accordingly, much of the information reported here was obtained from the **Wynn Resorts** personnel. However, IEB found no reason to dispute the information that **Wynn Resorts** provided.

Steve Wynn first became acquainted with Okada in 2000 through a boutique investment house that had previously tried to convince Steve Wynn to buy a British-based casino company called "London Clubs." Steve Wynn declined that offer, but, at the end of that meeting, one of the investment advisers asked Steve Wynn if he would be willing to take on a partner in his efforts at the time to develop what would become the Wynn Hotel. The identity of a potential principle was not mentioned. Steve Wynn declined that offer as well.

Later that same year, sometime in the late summer, Steve Wynn was again contacted by the investment adviser. This time Steve Wynn was asked if he would agree to meet with a Japanese investor who made a great deal of money in Las Vegas real estate. That man's name was Kazuo Okada. Okada wanted to become a partner in the **Wynn Resorts**. Steve Wynn was again reluctant. He did not know Okada. He did, however agree to meet with him. Meanwhile, Steve Wynn asked his attorney, Frank Schreck ("Schreck"), to check out Okada. Schreck reported back that Okada was in the slot machine manufacturing business and was licensed in Nevada. He told Steve Wynn that Okada was suitable to do business with.

For years, the relationship between Steve Wynn and Okada went swimmingly. There was no indication of any poor business practices by Okada. Okada acted in an accommodating and professional way at all times.

Then things changed. In 2008 or 2009, Okada told Steve Wynn that he wanted the company to become involved in a casino project in the Philippines. He told Steve Wynn that he's learned that the country was going to allow casinos on Manila Bay. Steve Wynn told Okada that

he was not interested. Sometime later, Okada made a special trip to visit Steve Wynn at Sun Valley, Idaho to again request that Steve Wynn agree to the Philippines project. Again, Steve Wynn said that he was not interested. He was concerned about problems inherent in doing business in that country.

But, Okada would not give up. He told Steve Wynn, through his interpreter, that he felt as if he was not getting enough respect. He was, after all, apart from Steve Wynn, the largest shareholder in the company. This was at a time when Steve Wynn was getting divorced from his then wife, Elaine Wynn. If the shares of the Wynns were treated as independent of each other, then Okada would become the largest shareholder. Steve Wynn became concerned. He asked the company security director for a report on doing business in the Philippines. At the next Board meeting, that report was distributed. The report explained the problems with corruption in that country and the difficulties this caused in doing business there, especially potential contraventions of the federal Foreign Corrupt Practices Act ("FCPA"). This upset Okada. He again insisted that the company enter the Philippines market. The Board decided that it would be prudent for it to receive additional training in the FCPA. Reluctantly, Okada agreed. However, when the training session was held, Okada did not attend.

At a subsequent Board meeting, there was another discussion of the Philippines and the FCPA problems. Okada disagreed that there would be problems. As confirmed by Steve Wynn and all other Directors that were present, he told the Directors that it was different in Asia. He said that the company could use middlemen so that nothing would show. The Board members were very troubled by this attitude. After the main meeting was over, the Independent Directors met separately and then sent one of them, Robert Miller, to tell Steve Wynn that they felt Okada should be removed from the Board. Steve Wynn agreed to ask Okada to resign. He did so. Okada said he would consider it and let Steve Wynn know.

Months went by. Kim Sinatra, the company General Counsel, kept asking for Okada's answer. None was forthcoming.

By the time of the next Board meeting, Okada had still not agreed to a resignation, nor had he agreed to place his shares into a voting trust, another proposal that had been offered him. The Board asked him directly if he still intended to proceed on his own with plans to develop a

project in the Philippines. He said that he did. At that point, the Board had already received some reports of questionable activities on the part of Okada. That, coupled with Okada's stated position in answer to the Board's question, convinced the Board to authorize an investigation into Okada's activities. It hired Louis Freeh ("Freeh"), the former Director of the Federal Bureau of Investigation, to conduct that inquiry. Freeh did so. He engaged in extensive investigative activity, including, ultimately, a personal interview with Okada.

The IEB reviewed what has become known as the "Freeh Report." It also interviewed Freeh. The investigation also reviewed a report done by former Homeland Security Director Michael Chertoff that had been authorized by Okada in response to the Freeh Report. Both Reports are maintained within files of the IEB.

In summary, the Freeh Report identified multiple instances that it characterized as "prima facie" cases of FCPA violations. The IEB conducted an interview with Freeh during which he advised that he and his associates were afforded complete access to any information and personnel they required to complete their investigation. Freeh further advised that, in order to insure the integrity of his investigation, Freeh requested and was granted permission that he need not provide any prior notice to the witnesses nor could the witnesses be "prepared" in any way. He was not given any deadline by which to conclude his investigation, and he was given complete authority to broaden the scope of the investigation at any time he deemed necessary. Freeh finally advised that his investigation was never frustrated, interfered with, or otherwise tampered with by the members of the company's Compliance Committee or anyone else in the **Wynn Resorts** organization.

The Chertoff Report finds fault with the allegations of the Freeh Report by mainly challenging the investigative methods. It does not present facts or otherwise constitute a detailed admission, denial, or defense of Okada's conduct.

On February 18, 2012, the Board met again. This time they were given the Freeh Report to review. During this meeting, Freeh and the company's Nevada gaming law firms addressed the Board. Freeh explained the contents of his report and the gaming law firms advised the Board that there was sufficient evidence in the Freeh Report for the Board to review Okada's suitability

and take action. It further advised the Board that, because of this, the company was required to separate him from the business.

Steve Wynn's corporate position was that, under such circumstances, the By-laws required that Okada's shares be redeemed at a fair value. The company retained a financial adviser to establish that fair value. It was determined that, because the information developed about Okada, particularly the opinion about his unsuitability and the advice received concerning the company's legal obligation to disassociate, a discount of the present market value of Okada's shares was required. The financial adviser set that fair discount at between 20 and 30 percent. The company decided that the discount should be 30 percent to be paid out through a ten year note at two per-cent interest per annum. Accordingly, Okada's shares were cancelled. That same day, the company filed a lawsuit in the District Court of Clark County, Nevada, against Okada seeking a declaration that its actions were valid and asserting claims against Okada for, among other things, breach of fiduciary duty by listing 36 separate instances from May 2008 to June 2011 where Okada or his associates made payments exceeding $110,000 USD that directly benefitted officials of the Philippines gaming regulatory agency, PAGCOR.

And so, the litigation battle began.

On March 12, 2012, Okada, through his corporate entities, filed an Answer and Counterclaim. The Counterclaim alleged, among other things, that the redemption was illegal because the redemption provision on which the Board relied was not in effect when Okada purchased his shares. It alleged also that the Freeh investigation was a "pretext investigation" conducted only so that Steve Wynn could redeem Okada's shares and thus retain control of the company even if Elaine Wynn wrested control of her shares away from her ex-husband.

Importantly, the Okada Counterclaim also alleged Wynn Macau had, in May 2011, pledged to donate $1 billion Hong Kong dollars (about $135,000,000 USD) to the University of Macau Development Foundation. It was to be a $25,000,000 contribution made in May 2011 to be followed by a commitment for additional donations of $10,000,000 dollars per year until 2022. Okada asserted that this was the same time period as Steve Wynn's casino concession in Macau. Okada also asserted that this commitment was made at the same time that Steve Wynn was seeking to obtain additional land in Macau on which to develop another casino. The

Counterclaim noted that the United States Securities and Exchange Commission ("SEC") had commenced a formal inquiry into the Macau University donation.

In fact, the SEC had commenced such an investigation. However, in July 2013, the SEC announced that it had terminated that investigation and had found no wrongdoing on the part of Steve Wynn and his companies. The IEB investigation also looked into the donation issue. It was determined that the propriety of the donation had been fully vetted by the company before it was made, including obtaining legal advice approving the transaction. It should also be noted that **Wynn Resorts** has a history of charitable giving, particularly in educational areas. While this particular gift may have been different in size, it was not different in concept. At the Board meeting during which the donation was approved, Okada had indeed objected to it, but not on the grounds that it was improper, only because he did not like the financial terms.

Procedurally the case was first removed to federal court and then, later returned to State Court where it now resides. Interestingly, in May 2013, federal prosecutors appeared in Court to ask for a stay of the litigation preventing all sides from gathering evidence in the case while they looked into possible criminal law violations by the Okada parties. That period was extended in the beginning of November for an additional 6 months. Information developed by the IEB demonstrates that the federal investigation is focused on Okada and not on Steve Wynn.

Most recently, the presiding Judge in the case, Hon. Elizabeth Gonzalez, dismissed one of Okada's counts against **Wynn Resorts**. In late October 2013, she dismissed the allegation that Steve Wynn and Kim Sinatra had engaged in civil extortion by force to compel him to sell his shares at a steep discount. The Judge did not view those allegations as legally cognizable under Nevada law. She left open the possibility that the same allegation might be cognizable if differently framed. Nineteen other counts of Okada's Counterclaim, as well as Steve Wynn's main claim remain pending.

A further complication arising out of this litigation is a claim filed by Elaine Wynn, Steve Wynn's ex-wife. She is seeking to discharge her obligations under a Shareholder agreement that restricts her sale of her shares. Should Elaine Wynn succeed on these claims, it could potentially constitute a "change of control" under certain of the company's debt instruments. This, in turn, could potentially trigger a mandatory redemption of those notes at a purchase price equal to

101% of the aggregate principal amount of those notes, plus accrued and unpaid interest on the notes purchased. As can be seen, there are many variables that will determine the outcome of this circumstance and it is entirely premature to draw any conclusions at this time.

Other related cases have arisen in connection with the Wynn-Okada lawsuit. Six derivative actions have been commenced against **Wynn Resorts** and all members of its Board of Directors. Four of those actions are in federal court and two are in state court. The cases were consolidated into one state court proceeding and one federal court proceeding, and both proceedings have been stayed as a result of a stay in the main action. They were brought by certain individuals and Union Retirement Funds. These suits allege breach of fiduciary duty and related claims.

Okada also filed a defamation lawsuit against **Wynn Resorts** in Japan. This suit claimed damages for **Wynn Resorts**' public release of information from reports received by the company concerning Okada. The case was filed in August 2012, but was dismissed on or about October 24, 2013. The Tokyo court held that the case should not be handled by a Japanese tribunal.

Finally, while the IEB could not confirm it, public reports indicate that the Department of Justice in the Philippines is also investigating Okada and his companies for possible bribery and violations of foreign ownership restrictions in setting up landholding companies for a casino project in that country.

C. THE HISTORICAL OWNERSHIP OF THE PROJECT LAND BY FBT EVERETT REALTY, LLC

The following section provides a relevant historical summary of the sale of the proposed project property in Everett, Massachusetts that is the subject of an existing option to purchase currently held by the Category 1 gaming license applicant herein, **Wynn MA, LLC**. The term "sellers" as used herein designates the parties who are involved as those persons who have held or reportedly have held ownership interests in the subject property since approximately June 2009. Prior to that date the property was owned by different owners the most substantial of which was a major chemical company Monsanto, and later by a bonding entity Mystic Landing, LLC. Immediately preceding the current seller's (FBT Everett Realty, LLC) acquisition of the property another entity OMLC, LLC and its principal, William Thibeault, had procured a purchase and sale agreement for the same property but lost same due to a title disagreement at the time of closing. Litigation ensued, and while it was ongoing, the current sellers intervened in the litigation and as a result, successfully procured the option to acquire the property that later ripened into their full acquisition later in 2009. Legal appeals that followed were defeated in April 2012. This prior ownership and litigation is essentially irrelevant to the IEB inquiry herein, but is nonetheless noted as the sellers herein were required to provide continued funding for legal costs for then ongoing litigation during the 2009-2012 period until the litigation was decided in their favor.[19]

For introductory purposes, and as statutorily required, the sellers involved in the initial 2009 acquisition of the project property option were examined in this suitability evaluation. However, as detailed further herein, due to the development of certain information shared with the IEB by the Federal Bureau of Investigation, the IEB conducted a more penetrating and broader inquiry into the property seller's history. Subsequent to the property's identification as a potential casino site, specific scrutiny was placed upon the seller's internal intra-interest transfers and other questionable seller specific conduct commencing with the passage of the Massachusetts Gaming Act in November 2011 to date. The IEB investigation of this transaction

[19] A copy of the April 9, 2012 Appeals Court of Massachusetts decision regarding this earlier property litigation is attached hereto as Exhibit 7.

has been extensive. Thousands of pages of documentary materials have been subpoenaed, acquired or otherwise evaluated and reviewed, dozens of persons have been interviewed in both Massachusetts and Nevada, hours of tape recordings and hundreds of pages of sworn testimony have been conducted during the course of this inquiry. As a result of this effort, what appeared at first to be a relatively direct transaction soon was revealed to be a complex web of questionable conduct by the sellers that required even deeper scrutiny as each layer of the transaction was penetrated. The results are set forth below.

Prior to the detailed examination, it is important to note at the outset, as will be further explained below, that no evidence has been developed that shows that the applicant had any knowledge about or involvement in the various manipulations of the landowners.

As more specifically discussed below, the IEB investigation focused upon concerns about the five individual persons who comprised the interest holders in the seller entity, that is, **FBT Everett Realty, LLC** ("FBT") and more specifically, the role and involvement of two such persons with documented criminal histories. While this factor, in and of itself, does not necessarily disqualify a property from being acquired, purchased or otherwise being eligible for gaming use, the conduct of the sellers in this transaction during the IEB suitability investigation gave rise to serious concerns as to transactional transparency, good faith disclosure and document misrepresentation and falsification. For example, evidence was developed that important and material information was withheld by the sellers from both the applicant and the IEB investigators; false and deceptive information and documents may have been provided; and evidence existed that at least one of the sellers with a criminal history took affirmative steps to conceal his role and interest in the transaction so as to avoid jeopardizing the sale of the property to applicant **Wynn MA, LLC** at a substantially increased price due to its potential casino use.

In order to fully understand the complexity of the transaction, the most useful starting point is the actual property acquisition transaction by the current owners in 2009. The IEB investigation revealed the following information relating to its relevant history.

INITIAL 2009 PROPERTY ACQUISITION

On or about June 12, 2009, **Boston Development Ventures, LLC** ("BDV") acquired the initial option to purchase approximately 37 total acres of property located primarily within the City of Everett, Commonwealth of Massachusetts, and a separate smaller parcel within the City of Boston, also within said Commonwealth. (Both parcels will be collectively referred to as the "Everett Property" for this report.) This property is essentially "brownfields" in that it is significantly contaminated by former chemical/industrial plant use and presents substantial environmental clean-up responsibilities for both the prior, present and, until remediated, future owners. The initial cost for the property was identified as approximately $10,000,000; however, the actual cost was later negotiated down to approximately $8,000,000. According to MGC subpoenaed Settlement Statement, this purchase price required a non-refundable $1,000,000 deposit with a final cost payable at closing of $7,264,172. The specific legal description of the property is contained in Exhibit 1 attached to this report and is drawn from the specific description the parties utilized in the parties' fully executed December 19, 2012 Option Agreement which is also discussed later in this summary. The seller of the property was the bond holding company, Mystic Landing LLC.

The principals of BDV were Paul Lohnes ("Lohnes") and Gary DeCicco ("DeCicco") who each owned 50% of BDV. In order to consummate the option acquisition, Lohnes personally expended the $1,000,000 non-refundable deposit to secure the option to purchase; notably, as a harbinger of issues later identified by the IEB, DeCicco did not contribute any deposit or acquisition capital at this time. It should be noted that the IEB investigation revealed that Lohnes was a relatively wealthy individual and historically was documented as a credible investor in various Massachusetts businesses and commercial ventures.

Also in regard to Lohnes, it should be noted he has an association with the Chairman of the Commission, Stephen Crosby ("Crosby"). Crosby has known Lohnes for many years, going back to their days together in the National Guard in the 1970s. From that time until the early 1980s, Crosby had limited contact with Lohnes.

Then, sometime around 1983, when Crosby, along with another business partner, owned and operated a publishing company, he solicited Lohnes, among other friends, to invest in that company. Lohnes made an investment. Unfortunately, the publishing enterprise experienced only

limited success and it was ultimately sold in 1990. While records have been lost, it appears that Lohnes did not recoup his investment, neither was he entitled to any recoupment according to the terms of his loan. Since 1990, Crosby and Lohnes again had limited contact with one another, probably meeting purely socially no more than ten times over the past 23 years. Since becoming Chairman, Crosby and Lohnes were together once, in May 2012 prior to the filing of any license applications, at one dinner party at the home of a mutual friend.

In November or December 2012, and again before any applicants had yet filed for any licenses or locations, Crosby received a phone call from a person who is friendly with both Crosby and Lohnes. He advised Crosby that Lohnes had an interest in property proposed as the site for the Everett casino. Crosby's reaction at this time was that, since he had not seen Lohnes in months and had no plans to be in contact with him, he did not feel it necessary at that time to file any Disclosures with the State Ethics Commission. Crosby did also indicate that plans for a social event with Lohnes and other mutual couples were tentatively planned for the late spring in 2013, but this event was never consummated.

However, during an Executive briefing of Commissioners on August 9, 2013, Crosby learned, for the first time, that there might be some investigative issues concerning the site in which Lohnes had an interest. Crosby advised those present of his relationship to Lohnes, immediately left the briefing, and recused himself from that matter. On August 21, 2013, Massachusetts State Police [redacted] interviewed Crosby regarding his recusal. Crosby advised [redacted] of the information set forth above. Then, on August 22, 2013, Crosby filed a Disclosure of Appearance of Conflict of Interest Form with his appointing authority as relating to Lohnes.

As the IEB investigation progressed, and the issues became clearer, Crosby decided that it would be more appropriate if he sought a determination from the State Ethics Commission about the scope of his permissible Commission activity in light of his Lohnes association. He filed that request on October 22, 2013. The State Ethics Commission responded on October 24, 2013, and advised Crosby that he need only update his August disclosure statement and that once the update was filed, he could perform his duties as Chairman in the matters in which Lohnes was involved. Crosby filed that update on October 25, 2013.

DeCicco did not have the personal wealth of Lohnes and indeed relied upon Lohnes' wealth to enable the two to jointly participate in earlier business deals. Also in contrast to Lohnes, in prior years DeCicco was charged in criminal schemes including a 1995 arson of a warehouse. Although acquitted of that charge, DeCicco was convicted of related insurance fraud and forgery crimes relating to that incident. Remarkably foreshadowing revelations to come, this crime and conviction were the subject of a later media article that raised the specific issue of whether DeCicco's criminal history would be problematic for Wynn MA's future acquisition or use of the property.

BDV's acquisition involvement, as an entity, in the property was short lived. Just four months later, on or about October 9, 2009, Lohnes and DeCicco, with the help of business associate and advisor Dustin DeNunzio, formed a new entity, **FBT Everett Realty, LLC**, for the purpose of acquiring and developing the Everett property. Testimony was developed in this investigation by the IEB that confirmed that the original intent of the parties in the 2009 acquisition of the subject property was not for a casino related purpose (obviously this was well before the Gaming Act's passage), but was evaluated for alternative uses including a potential waste transfer station, a large warehouse retail store, or homeowners multi department "large box" facility. These uses, however were not consummated at the time of the Gaming Act's passage.

Nonetheless, in 2009, the property was still being sought by the investors and they proceeded to execute their deposit rights and proceed to closing. To commence this process, the aforementioned BDV option purchase was, on October 13, 2009, first assigned by Lohnes and DeCicco to the newly created FBT Everett Realty, LLC entity just four days after FBT's creation (i.e. on October 9, 2009). The closing also proceeded on the latter October 13 date. Dustin DeNunzio ("DeNunzio") accompanied by Paul Feldman ("Feldman"), the attorney hired by the member owners to prepare all legal paperwork, coordinated the closing for the FBT buyers. Feldman's role in this and the later transaction involving the applicant was also examined during the IEB investigation and discussed later in this report. At the closing Paul Lohnes was present, however, Gary DeCicco was neither present, nor to the other LLC members' aggravation, even

reachable during the closing process. However, while Lohnes was prepared to provide his capital contribution for the closing on the property, DeCicco's financial situation was more problematic.

First, in order to meet his funding needs for the acquisition, DeCicco had, in the days before the closing, added a new partner. This individual, Anthony Gattineri ("Gattineri") was invited into the deal to initially provide approximately 15% of DeCicco's originally pledged 50% (then leaving DeCicco with 35% and Lohnes still with his 50%). However, DeCicco still did not have funding to provide his share for the closing and then approached the new "partner," Gattineri, to also personally provide to him (DeCicco) another $1,500,000 loan/promissory note. This second amount was a personal loan from Gattineri to DeCicco which was secured against another 15% of DeCicco's FBT ownership interest (now leaving DeCicco with approximately 20% at this time; Lohnes with 50% and Gattineri with 15%+15% via the "new" personal promissory note). This new note (dated the same day as the closing, October 13, 2009) also provided a pay-off/maturity date of February 1, 2011, by which it had to be repaid with 10% interest and an origination fee. Thus, in actuality, DeCicco, had not put up any of his own capital into the FBT deal purchase or closing relying instead on the Lohnes and Gattineri contributions.

Using generalized round numbers for ease of understanding this progressively confusing transaction, despite the deposit and closing contributions of Lohnes and the machinations of DeCicco to obtain his (DeCicco) closing and promissory note funding via Gattineri, the FBT purchase deal was nonetheless still short approximately $1,200,000 at closing. Despite Gattineri's financial contributions, DeCicco's remaining shortage coupled with the further complication of his non-appearance at closing, both Lohnes and Gattineri were still faced with the prospect of losing the deal due to funding insufficiency. In order to avoid losing his nonrefundable $1,000,000 option deposit and to save the deal for both he and Gattineri, Lohnes agreed to make up DeCicco's shortfall at closing and save the deal. DeCicco remained responsible for this shortfall and in order to repay this "shortfall" amount afterwards DeCicco had still another "move." Unknown to both Lohnes and Gattineri, DeCicco had already arranged for yet another subject to enter into the transaction by offering substantially the remainder of his FBT ownership percentage to this other new "investor" that is, one, Charles Lightbody, a figure who will come to play an important role in this matter.

At a point subsequent to the closing date, Lightbody provided certain funding to the FBT Everett Realty account which the IEB investigation could only confirm as paid, but not as to ultimate utilization or specific use. Some indicia existed, but were not conclusive, to suggest that portions of Lightbody's funding may have been used for repayment to Lohnes in satisfaction of the DeCicco shortfall at closing. For example, IEB's examination of FBT bank records indicated that Lightbody had deposited two checks into the FBT account totaling approximately $700,000 two days after the closing. Further record examination revealed approximately five weeks later Lohnes received a $600,000 check from the FBT Everett account. While the complete allocation of the Lightbody funding remains unclear, what was represented by the property owners was that DeCicco transferred some percentage of his interests in FBT Everett Realty to Charles Lightbody. This percentage was also the subject of conflicting testimony in this investigation, but subpoenaed documents and the testimonial evidence from Lohnes and DeNunzio and taped interviews of Lightbody and Gattineri, albeit far from fully credible or consistent, appear to favor Lightbody's acquired ownership percentage to be approximately 12.5% or whatever then composed DeCicco's dwindling residual FBT ownership interest. Indeed, Lightbody, after acquiring DeCicco's interest, continued to make certain contributions, or "cash calls," which the conflicting testimonial and documentary evidence would suggest a total maximum of approximately $1,200,000. Taken as a whole, the IEB investigation did confirm some funding contributions by Lightbody into the transaction, with the latter figure being the most accurate indicator of the extent of such contributions.

It is appropriate at this time to summarize the ownership percentages of FBT Everett Realty, LLC as a result of the closing activity of the owners as best could be developed during this investigation despite the conflicting testimonial and documentary evidence. Essentially, it is as follows:

Paul R. Lohnes:	approximately	50.00%
Anthony Gattineri	approximately	15.00%
Gary DeCicco	approximately	19.50%
Charles Lightbody	approximately	12.50%
Dustin DeNunzio	approximately	3.00%

TOTAL **100.00%**[20]

While the individual owners were all the subject of the IEB investigation as it related to the applicant's property acquisition, for the reasons that will become obvious from the information provided below, the investigation primarily focused upon the interests of the two subjects with the prior documented criminal histories, that is, DeCicco and, particularly, Lightbody. The IEB also conducted due diligence on Anthony Gattineri, Paul R. Lohnes and Dustin DeNunzio and as a general statement, the investigation revealed that their past activities related to real estate related investment and commercial activities. None of the latter three subjects had any record of criminal activity. As noted above, before and after the October 13, 2009 FBT closing process on the Everett property, the various "partners" were assisted in this transaction by Dustin DeNunzio of the DeNunzio Group. DeNunzio is a professional property manager who has handled FBT Realty Everett's interests since its inception. According to testimony by the various partners, DeNunzio has been involved with numerous real estate deals with all the aforementioned principals, that is, Lohnes, DeCicco, Gattineri and Lightbody, both individually and, on occasion, in combination with one another (although not all participated with each other). In particular, Lightbody has been involved in other business deals with DeCicco and/or DeNunzio. DeNunzio had prior business relationships with Gattineri and Lohnes. Lohnes, however, never had any prior business deals with Lightbody before the FBT transaction. In the FBT transaction, DeNunzio's involvement commenced as the property manager then progressed to also include a small equity involvement in the project and which continued through its ultimate transaction with **Wynn MA, LLC**.

In specific regard to criminal history, and as noted already above, DeCicco has a prior criminal felony record. (See attached Exhibit 8.) Finally, and most cogent for this section of this report, Lightbody is an owner of a local Revere auto repair business, a Revere real estate investor and also a convicted felon. (See attached Exhibit 9.) The IEB investigation revealed that all of

[20] The percentages represented in this part of the report are represented to the best of the IEB investigator's knowledge and belief, but still must be generalized and qualified. Due to the conflicting testimony and documents provided by the sellers herein, as well as evidence and statements made indicating varying ownership interests which were being misrepresented to the IEB and the applicant, absolute certainty as to the precise apportionment of each remaining owner is beyond the IEB's predictive ability. However, it is that very conflict and imprecision that the IEB believes is the relevant factor herein.

these subjects, after the October 13, 2009 closing, that is, Lohnes, Gattineri, DeCicco, DeNunzio and Lightbody, all had a financial interest in the FBT property. It is also known that DeNunzio and Lohnes knew at the earlier days of FBT Everett Realty that Charles Lightbody had a criminal record and according to Lohnes' testimony, DeNunzio had advised him that Lightbody had served prison time. This factor becomes important in evaluating Lightbody's continued involvement in meetings and discussions of FBT matters during and after the applicant's acquisition of the property option discussed further below.

2009 - NOVEMBER 2012 INTERIM FBT EVERETT REALTY, LLC PROPERTY OWNERSHIP CHANGES AND QUESTIONABLE DOCUMENTS

After the closing which enabled FBT Everett Realty, LLC's acquisition of the project property, the IEB investigation revealed certain events that changed the ownership interests of the original investors.

First, DeCicco defaulted and failed to repay Gattineri the $1,500,000 Promissory Note that matured and became due on February 1, 2011. Gattineri, pursuant to the security terms of the note, then foreclosed and took the 15% FBT ownership interest DeCicco had provided as security for the note and doubled his prior FBT ownership holding.

Next, according to the FBT Everett Realty, LLC Operating Agreement which curiously is undated as to its actual creation date, but reflects an effective date of January 1, 2012, states the following:

FBT EVERETT REALTY LLC

SCHEDULE A (As of January 1, 2012)

Name and Address

Manager:

The DeNunzio Group, LLC
305 Cambridge Street, Suite 3
Cambridge, Massachusetts 02141

	Capital Contributions	Interest

Members:

Paul R. Lohnes c/o Laverty Lohnes Properties 75 Cambridge Parkway, Suite 100 Cambridge, MA 02142-1237	$4,572,121	50.31%
Anthony Gattineri [redacted]	$3,148,047	34.64%
Charles Lightbody [redacted]	$1,095,091	12.05%
The DeNunzio Group, LLC 305 Cambridge Street, Suite 3 Cambridge, MA 02141	$ 272,637	3.00%
TOTAL	**$9,087,896**	**100.00%**

Next the IEB investigation revealed a document which purports to be a "Memorandum Of Transfer" of all residual rights and membership interests that DeCicco has in FBT Everett Realty, LLC to Lightbody which is simply dated "April __ 2012" (sic) and signed by DeCicco. It is important to note that while this document is dated AFTER the listing of Lightbody's 12.5% interest in the January 1, 2012 Operating Agreement it exemplifies the type of inconsistent and misleading paperwork provided by the parties herein. For example, it purportedly transfers remaining FBT interests of DeCicco, but if truly existing, no such interests were mentioned in the Operating Agreement dated only four months before (see table above). Even more confusing, Dustin DeNunzio later admits he created the 2012 Operating Agreement in January 2013.

Apart from the aforementioned purported April 2012 Memorandum of Transfer of the remaining FBT Everett Realty, LLC interest of Gary DeCicco to Charles Lightbody, several other conflicting documents were procured by IEB investigators during this investigation. While these documents are discussed in more detail below in the timeline/investigational overlay and where their chronological sequence will be more relevant, they play an important role in the conduct of the sellers during this investigation.

Essentially, the sellers provided the following documents:

- August 15, 2012 Promissory Note: Anthony Gattineri to Charles Lightbody for $1,700,000 @ 7% Per Annum; Maturity Date August 15, 2017
- August 15, 2012 Memorandum of Transfer of 12.5% Interest In FBT Everett Realty, LLC of Charles Lightbody to Anthony Gattineri
- December 14, 2012 Promissory Note: Anthony Gattineri to Charles Lightbody for $1,700,000 @ 7% Per Annum; Maturity Date January 14, 2017
- December 14, 2012 Memorandum of Transfer of 12.5% Interest in FBT Everett Realty, LLC of Charles Lightbody to Anthony Gattineri

During the investigation IEB investigators interviewed the various FBT principals. During these interviews these subjects attempted to assert that Lightbody's interest in FBT Everett Realty, LLC had been completely and totally terminated **before** the sellers executed documents with the first casino company on or about August 21, 2012 and certainly well before applicant **Wynn MA, LLC** executed its MOA and Option Agreements on November 27 and December 19, 2012. The above documents were proffered to support these assertions of Lightbody's previous interest termination. As shown in this report, significant evidence has been developed to question this assertion.

Apart from the information summarized in the timeline/investigation overlay, it should be noted the above documents are facially inherently suspect. First, they are undated as to actual date of execution. Second, while they portend to be essentially duplicates of the same transaction, and simply seek to retroactively extend the purported Lightbody interest extinguishment from early December 2012 back to August 2012, they actually reflect differences in repayment term. More importantly, as detailed in the timeline, certain witnesses' statements suggest that the preparation and execution of these documents not only contradict their depicted date, but also their actual origin. For example, Lightbody emphatically confirms he is "100% sure" (see July 16, 2013 interview entry in timeline) that he executed his transfer of rights to Gattineri in "late July or early August" of 2012, yet Dustin DeNunzio later testifies under oath that only after being interviewed by IEB investigators in July 2013 did he (DeNunzio) actually create the August 15 documents and have them executed to attempt to retroactively document and support what he and the other sellers were telling the IEB in their interviews. Although

DeNunzio asserts that all he did was change the dates in the Promissory Notes to reflect an earlier 2012 alleged transaction date in form documents that had previously been prepared by attorney Paul Feldman, he further asserts that Feldman had advised him that there was nothing improper in DeNunzio's also backdating the documents in this regard. The IEB, however, after receiving the appropriate waiver of attorney-client privilege also derived the following information about the creation of the backdated August dated documents from attorney Feldman:

Q: At the time you were creating the documents and creating a date for the documents did anyone associated with FBT tell you that the date of the deal was actually in August?

A: I don't have a recollection of that, no.

Q: Okay. So when you were setting up this paperwork (in December, 2012 context supplied) what was your understanding of the date of the agreement?

A: I was setting up the paperwork and I was doing it in real time.

Q: So no one had mentioned to you that the deal was actually already worked out: is that fair?

A: I think that is fair. (Transcript of Paul Feldman's testimony to IEB on October 24, 2013, p 14 lines 17-24 - p 15 line 7.)

Thus, the IEB investigation identified this as a significant concern due to its profound effect on the document authenticity, the contradictory assertions of the witnesses and, indeed, the credibility of the entire transaction.

THE EVERETT SITE IS SELECTED

During the ensuing period from October 2009 through the period of November 2011 when the Massachusetts Gaming Act was passed, these above identified parties remained essentially involved in FBT Everett Realty, LLC. As noted above, in early 2012, casino companies were scouring Massachusetts seeking suitable locations to develop large casino projects. The subject Everett project site, although significantly contaminated, was nonetheless attractive due to its proximity to Boston, large demographic population, competitive cost, riparian location and access to interstate highway systems. After the passage of the Gaming Act,

and as noted above, the property owners expanded their development and buyer objective goals to possibly include a casino project. Indeed, in early 2012 certain casino companies did express interest in the Everett site and discussions were undertaken with the FBT principals. One such company, not the applicant, even entered into a Letter of Intent on **August 21, 2012** to purchase an option on the same property that is the object as the current applicant's project. While the identity of that applicant is irrelevant herein, the date is highly relevant as will be explained below. Equally important, during this period of time several questionable actions of the sellers occurred which, when examined in light of prior and later actions, create a highly suspicious series of events relating to the ownership documentation of the subject property. These actions will also be highlighted below.

Despite the above mentioned initial interest and even the LOI execution, the early property suitors withdrew their interest. Next up was the applicant herein, **Wynn MA, LLC**.

WYNN MA, LLC ACQUISITION OF OPTION TO PURCHASE PROPERTY, NOVEMBER-DECEMBER 2012

In the fall 2012, **Wynn MA, LLC** was still searching for a suitable casino location in Massachusetts due to a recent rejection by the local government in what was the applicant's originally targeted site in Foxboro, MA. In approximately October or early November 2012, Matt Maddox ("Maddox"), CFO of Wynn Resorts, LLC, while viewing television news reports about other potential casino sites, saw the mayor of Everett making a television plea to casino developers to come and visit his city as he had property to offer. Maddox testified to IEB investigators that he was intrigued by Everett's unique location and soon received permission to visit and explore whether any suitable sites might be found in that city. Flying to Everett with **Wynn MA, LLC** General Counsel Kimmarie Sinatra ("Sinatra"), they visited with the mayor and other city officials and eventually viewed some maps and specifically viewed the FBT owned former Monsanto Chemical site as one that was available and had enough acreage, albeit contaminated, to sustain a major casino project. After touring the site, they immediately advised Steve Wynn that they felt the site was suitable and negotiations began. On November 27, 2012 a

Memorandum of Agreement ("MOA") was swiftly executed between the applicant and the owners of the property, FBT Realty Everett, LLC.

The general terms called for an option to purchase for $75,000,000 with a $100,000 per month option carry cost until closing as well as a significant set of conditions including the requirement of more definitive documents to be executed forthwith.

Importantly, at this point in time, that is, November 2012, the owners of FBT Realty Everett, LLC were specifically identified to the applicant, **Wynn MA**, as only Lohnes, Gattineri and DeNunzio.

The IEB investigation did not reveal any evidence indicating that anyone affiliated with any of the named sellers or the selling entity at this point in time (November 2012), revealed or identified to the applicant any past, present or future interest of DeCicco or Lightbody in the FBT company or property. Obviously, their names did not appear in either the MOA or the later executed Option documents discussed below.

In addition, the IEB investigation also confirmed that in November 2012, the applicant performed some initial due diligence on the sellers. They confirmed that the three identified sellers, that is, Lohnes, Gattineri and DeNunzio were, in fact, the owners as listed on the legal documents and appeared to have the legal authority to own and transfer the ownership of the property. As further detailed below, the applicant also became aware of other limited information that other persons had some initial ownership interest in the FBT groups' initial acquisition of the property from its prior ownership. This disclosure was, however, not initially by the sellers, but unexpectedly by the media in December 2012 and the failure of the sellers to make such initial disclosure is one of the key issues that gave rise to this investigation.

On December 19, 2012, the **Wynn MA** MOA was followed up with a formal set of Option Agreements ("Options") for the two aforementioned parcels of property in both Everett and Boston (again, both combined as the "Everett Property" for this report) setting forth many specific terms and conditions of sale including important regulatory compliance terms that allowed the applicant to vacate the deal if the sellers or the property sale interfered in the applicant's suitability determination or licensing review by the MGC. The price, terms of sale,

monthly carrying costs, environmental cleanup and remediation costs and many other terms were included in these documents.

APPLICANT'S FIRST AWARENESS OF SELLER BACKGROUND ISSUE

Notwithstanding the seller's failure to initially reveal the involvement of Charles Lightbody and Gary DeCicco, either historically or otherwise, to the applicant's representatives, the applicant did at a point after the execution of the MOA have some inkling of DeCicco's connection to the FBT ownership history through the media. In early December, approximately December 14, an article appeared in the *Boston Business Journal* describing the Everett/Monsanto property and the potential Wynn acquisition. Importantly, it also described the environmental problems confronting Wynn, but also indicated that one of the prior owners, Gary DeCicco, was a convicted felon and that this issue could pose a potential issue in the upcoming MGC review of the deal. This article was circulated to the applicant's Massachusetts professionals and representatives who advised the General Counsel of its contents. In addition, after receiving calls from the reporters of the story shortly before its publication, the applicant's local legal counsel, Mintz Levin, had made inquiries to the seller's legal counsel, Paul Feldman, and DeNunzio regarding whether any other persons or entities had any interest in the property and were definitively advised that DeCicco's interests had been previously bought out. However, conflicting information was presented as to whether Lightbody's name was also provided or discussed at this time, although no evidence was developed whatsoever that indicated that Lightbody's name, criminal history and certainly involvement in this transaction was ever relayed or disclosed to the applicant by its representatives at this time. According to testimony of the General Counsel provided to the IEB, the article itself was referred to the applicant's corporate security officer, James Stern, a former FBI agent who conducted due diligence on the three listed owners of the property. According to testimony from the General Counsel, due diligence inquiry was only requested on the three identified owners of the property. It was not requested on Gary DeCicco at that time. When queried as to why, it was explained that DeCicco had severed his relationship well before this transaction and had no present ownership interest in

the property. Further, if necessary, additional due diligence would be conducted on all historical property ownership during the final acquisition process. As a result of this effort, Stern confirmed there were no background issues relating to the Gattineri, Lohnes and DeNunzio. As such, the applicant did not perceive this factor as an impediment to the purchase proceeding in the normal course of business. It should also be noted that at a later date after an IEB inquiry, Stern did conduct a background investigation on DeCicco. Stern confirmed DeCicco's prior ownership interest in FBT as well as a criminal history.

The IEB also specifically conducted further investigation through detailed sworn interviews of all of the **Wynn MA, LLC** executives who participated in the initial evaluation and negotiations regarding the project property in Everett. These interviews focused upon whether there were any discussions where Charles Lightbody or Gary DeCicco's criminal history or ownership interests were revealed and or discussed. These interviews confirmed that, while some limited knowledge of Gary DeCicco's alleged prior ownership may have been circulated, there was no awareness of Charles Lightbody's name, prior ownership or criminal record. Indeed, the IEB investigation did confirm, however, significant evidence of repeated testimonial and documentary assertions by the FBT Everett Realty, LLC representatives of the termination of all ownership interests of Gary DeCicco and Charles Lightbody before the consummation of the applicant's property transaction.

SUMMARY OF WYNN MA, LLC PROPERTY PURCHASE PROCESS WITH IEB INVESTIGATION OVERLAY AND TIMELINE

As noted above, the applicant entered into a Memorandum of Understanding on November 27, 2012 and more formal Option Agreements on December 19, 2012. Early the next year, on January 14, 2013, the applicant filed its formal application for a Massachusetts Gaming License with the MGC and in the ensuing months it fully cooperated with the IEB in providing its application materials, personnel, sworn interviews and all other responses as requested by the investigative team. It also continued its considerable efforts to further develop its site and project development work. During this period, according to testimony provided to the IEB, the applicant

was operating under the perception that it had confirmed the ownership of the sellers and was proceeding throughout the spring accordingly.

During the course of the IEB investigation, information was developed during July 2013, which indicated the possibility that the property was being sold with a hidden or concealed ownership interest of one or more convicted felons. The IEB subpoenaed certain recorded conversations made available to IEB investigators between the above mentioned Charles Lightbody and an incarcerated Massachusetts State prisoner, Darin Bufalino ("Bufalino"), which were obtained via MGC subpoena. These conversations were recorded over prison facility monitored telephone lines between July 2012 and July 2013 and contain highly relevant and pertinent information which essentially chronicles Lightbody's reporting of his involvement in the FBT land sale to the applicant and, most importantly, his efforts to conceal his involvement and interest. Although these conversations were conducted on telephone facilities where the parties are noticed of no expectation of privacy, they nonetheless brazenly spoke about the matters under investigation herein. While some of the conversations are overtly pertinent, some portions tend to be self-serving, guarded and occasionally cryptic in content. Indeed, some content can vacillate between both involvement and withdrawal in the suspicious activities under investigation herein in the same conversation.

However, the repetitive nature of the common theme of involvement when coupled with the conduct of the sellers during subsequent IEB sworn and documented interviews of the sellers and Lightbody himself, as well as their provision of various misleading and back dated documents, supports and corroborates the proposition that an attempt to conceal the involvement of at least one convicted felon in this transaction was exposed by this IEB investigation. The below timeline sets forth a series of dates and events of property sale related transactions, recorded conversations or investigational activities. Utilizing this format promotes the best method to understand the interplay of the party's actions and the evidence of their conduct. Short summaries of the conversations between Lightbody and Bufalino are chronologically properly placed in reference to the property option purchase events and, more importantly, the document trail that the seller's themselves testified about. When viewed in this format, the true nature of particularly Charles Lightbody's conduct is revealed.

It should also be noted that Bufalino is, himself, a convicted felon with a long history of criminal convictions, including significant activities linked to major organized criminal conduct. (See attached Exhibit 10.) While the IEB investigation could not specifically develop why Lightbody was studiously reporting the developing events in the Everett property transaction to Bufalino, it did confirm that these two subjects maintain a close trusted relationship. It also determined that Lightbody made deposits into Bufalino's prison "canteen" account for prisoner incidentals.

Interposed with the conversations depicted below are descriptions of the various identified documents that are related to the alleged FBT Everett Realty, LLC member/owner internal transactions, "buyouts," promissory notes, and memoranda of transfers. The documents present suspicious and questionable dates, and their authenticity lies at the heart of the IEB inquiry of the project property sale. These documents purportedly depict dates, however, the IEB investigation revealed that significant discrepancies existed in when these documents were prepared, became effective and were the subject of significantly conflicting testimony by the sellers about their preparation. Indeed the documents, if stripped of important revelations developed during the IEB investigation, would convey a completely different and in most cases, inaccurate factual reality or produce a different legal outcome.

Lastly, also depicted below in the overlay are short excerpts of certain witness interviews or sworn depositions. These summaries are only included in pertinent part to provide specific confirmatory information regarding particular issues under inquiry herein. The complete statements or reports are retained in the files of the IEB.

TIMELINE WITH INVESTIGATION OVERLAY

October 9, 2009

FBT Realty, LLC formed:

Owners/Members: Formed on 10/9/2009; Registered with Secretary of State on October 15th 2009.

October 13, 2009

FBT Closing. Only persons reflected on original paperwork were Paul Lohnes, Anthony Gattineri, Gary DeCicco and Dustin DeNunzio $1,500,000 Promissory Note/personal loan from

Anthony Gattineri to DeCicco and secured by 15% ownership in FBT Everett Realty; Charles Lightbody's involvement is not reflected in documentation from closing.

February 1, 2011
Maturity date for Gattineri's Promissory Note with DeCicco. After repeated requests for repayment, DeCicco was deemed in total default and Anthony Gattineri foreclosed on this Note. DeCicco, having failed to repay any amounts and in complete default, by the terms of the Promissory Note security term, Gattineri then assumed DeCicco's previously pledged collateral 15% ownership interest of FBT Everett Realty LLC. By virtue of this foreclosure, Gattineri doubled his ownership interest in FBT Everett Realty, LLC.

January 1, 2012
Stated effective date of FBT Operating Agreement; it is important to note that neither the signature page nor any term provisions reflect dates of actual execution or signatures of the parties. Also Schedule A of document reflects that, as of January 1, 2012, the Members of the LLC are: Paul Lohnes, (50.31%), Anthony Gattineri, (34.64%), Charles Lightbody (12.05%), and The DeNunzio Group, LLC (3%), (Dustin DeNunzio).

April __, 2012
DeCicco alleged Memorandum of Transfer of DeCicco's remaining interest in FBT Everett Realty LLC to Charles Lightbody.

June 1, 2012
Lightbody withdraws $230,205 cashier's check from NorthEast Community Bank allegedly for capital calls relating to taxes.

July 26, 2012
Lightbody withdraws $16,870 cashier's check from Citizen's Bank allegedly for capital calls relating to property costs.

August 15, 2012
Promissory Note by Anthony Gattineri to Charles Lightbody for $1,700,000 and 7% interest; Note this is essentially a duplicate document (albeit with different witnesses depicted) to another MSP acquired Promissory Note dated 12/14/12; the significance of these two conflicting dates on duplicate documents pertaining to the same transaction is discussed below. Also, Dustin DeNunzio testified he prepared these documents in July 2013, not August 2012.

August 15, 2012
Lightbody gives Gattineri Memorandum of Transfer of Lightbody's 12.5% interest in FBT Everett Realty, LLC.

August 16, 2012
Telephone conversation:

DB: ***Hey, how's Everett going for ya?***

CL: ***Heres, they'll be a fucking, you'll own [inaud] half the fuckin city when [inaud] it's out. Listen to this you're gonna be the first one in prison to hear this story. We got a deal on the table right now it will probably hit in [inaud] weeks right now on paper, $100,000 to put a [another applicant] casino [inaud] 250 per month up until construction n [inaud] million dollars.***

[redacted]

CL: ***But it's gonna be a real home run if we can get the permits through,*** [redacted]

CL: ***But nobody knows yet because we really can't talk about it.***

[redacted]

CL: ***But we're gonna get signed up most likely tomorrow. If not the beginning of the week, we're all signed up for that deal that I just told you.***

DB: ***Wow, who's finagled that, the other guy?***

CL: ***No, if you could believe it, no the other guy's out.***

DB: ***No, not him, the old guy.***

CL: ***No, Anthony Gattineri did it.***

[redacted]

CL: ***Anthony the hedge guys, you know.***

[redacted]

CL: ***The company here is it's, it's called [not the applicant] and their net worth is 30 billion dollars. They're a hedge fund company and they are going to put up the money to get the deal done.***

[redacted]

CL: ***Yeah, fucking crazy Buddy, crazy, crazy, crazy and I have the documents right in my brief case, because what happen was the first deal was 30 million dollars and we went to the broker complaining he wanted a two million dollar fee and we said no, that's way too much money and we were fighting back and forth as I said it's too much money it doesn't make any sense you know?***

[redacted]

[redacted]

CL: But our [inaud] is up for six months, there is no guarantee. He said 50 million dollars till it gets permitted and, um, 50 million if it gets permitted and 250 until it gets built, a month.

[redacted]

CL: So then he said no 50 million is too much so my lawyers says ok here's what we'll do then give us $100,000 a month until it gets permitted, if it gets permitted give us 250 a month and then what we'll do is pull out the fair market value and see what a casino site is worth with the permit. So the guy goes alright we'll sign the 50 million.

DB: [Laughter] The reason being a permitted casino is like fuckin print your own money deal.

CL: Yeah, it could be 200 million, you know.

[redacted]

CL: You'll probably see this on the news [inaud] in the newspaper probably all over the papers, you know.

[redacted]

CL: Ah yeah, well I put it in an LLC so my name don't show up because, um, between you and I, I think I told you my partner was like, you know, if you take your name off it and just put it in a blind LLC I said listen I have no problem with that. I don't wanna be this guy spending 100 million.

[redacted]

CL: I said I'll take my name off I have no problem and now actually it works out cause with these casinos they see my name in there they ain't gonna like it.

[redacted]

CL: So, I will never show up on it which is a good thing.

DB: Good, good for you.

CL: So, I'm kind of excited about it.

DB: Good for you.

November 13, 2012

Telephone Conversation
Lightbody/Bufalino

DB: Boy. There has been a lot of writing about fucking Everett and fuck casinos and all that other crazy shit.

CL: Yea, well Steve Wynn is supposed to be coming down tomorrow at 10:30 to talk to the mayor.

DB: Really?

CL: Yeah. So I am hoping that flies, you know, that would be nice.

DB: [redacted] now it's open season because the [another applicant] never paid us the money they promised us. You know it's typical … [inaud].

[redacted]

DB: They never paid you?

CL: No, they never paid us the motherfuckers.

DB: Are you kidding me?

CL: You know what it is. They get all the money so they figure can muscle you, you know. They figure they can muscle you and that's what they were trying to do.

[redacted]

CL: Yup, imagine that so they never gave us a quarter [inaud].

DB: I thought you were fucking alright over there.

CL: No, I was waiting, man, and they never give us a fucking quarter. So that means they're out. Well more or less. I mean they're still interested, they're claiming, but they are making it open season so everyone else can come in. [redacted]

DB: Yea, when that shit got out of the bag and they didn't have that fucking piece locked up now it's open for everybody.

CL: Exactly, exactly and that's why I was saying to myself I'm saying why won't they fuckin pull the trigger but they didn't want to pay the $100,000 a month. So now …

[redacted]

DB: Well you might, your earning potential might get bigger than what, what it was.

CL: That's what I'm hoping for you know what I mean. I am hoping to stick it right up their fucking ass.

DB: Yup without a doubt.

CL: You know how that works.

[redacted]

November 26, 2012
Telephone Conversation
Lightbody/Bufalino

DB: What's up, what's going over in Everett, Brother?

CL: Ahh, good, Wednesday, they are coming into town, it will be in the news I'm sure once they see one of those characters hanging around. They will know [redacted name] and Steve Wynn [inaud] meet with the mayor [inaud] ●●● *So we are heading out, heading out soon, Wednesday.*

DB: Good for you.

November 27, 2012
Initial Memorandum of Agreement executed between FBT and Wynn MA, LLC to acquire proposed gaming site in Everett, Massachusetts. Document details $75,000,000 purchase price and a $100,000/month option.

November 28, 2012
Steve Wynn tours Everett Site

December 5, 2012
Telephone Conversation:
Lightbody/Bufalino

●●●

CL: That's what I said, we've got Steve Wynn in our corner. Let him come in and go up and these people [inaud] stocks will run down the shitter.

DB: Yeah. Yeah, will you still got the [another applicant] boys in there too, right?

CL: Well, but we basically kicked them boys to the curb because they weren't performing and we took on Wynn, now Wynn is supposed to start paying up $100,000 a month December 14.

DB: ***Right.***

CL: ***So, they are supposed to pay us $100,000 a month and then we sign a purchase and sales with him, it's not binding yet. But it will be when they give us their first check for $75,000,000.***

DB: ***Huh.***

CL: ***How do you think [redacted name] feels about that and Gary DeCicco? They don't have a [inaud].***

DB: ***I thought Gary, he was, hold it, I thought Gary was your buddy.***

CL: ***No, he got caught robbing everybody.***

DB: ***I know that, but he was your buddy. Wait a minute, wait a minute.***

CL: ***Yeah, he's my buddy alright. Besides leaving me on Nassau Street, I almost more or less forgave him because it's a lot a money to put out there, but then again after he robbed everybody and what I have been hearing, he's a fuckin bad dude, man, bad to the bone.***

[redacted]

December 11, 2012
Telephone Conversation:
Lightbody/Bufalino

DB: What's the good word?
CL: Waiting for Friday, Buddy, that's it.
DB: Friday?
[redacted]
DB: What's Friday?
CL: Friday is the day that they sign or don't sign.
[redacted]
CL: [redacted] *So the newspaper's calling them up about Gary DeCicco. So they said, you know, they're asking Chris about Gary DeCicco and he's a felon and this and that.* ***So now, obviously you know my situation.*** *So they're punching, hooking, Gary, Gary, Gary, Gary, Gary.* ***So my attorney, he calls my partners and myself and we have a little conference call and says, listen do you know that this Commission when, when there's a casino … not only them but whoever's selling the land cannot have a criminal record.***
DB: Ahh, ahh.
CL: So what they're saying is any proceeds that come from a sale of a casino or a casino cannot go to a felon.
DB: Ahh.
CL: But the only good thing is, nobody knows who's involved which makes it good because now I can just move on, you know what I mean? So basically they're gonna buy me out and …
DB: You need to move on, you need to double blind it. You need to triple blind it actually.
CL: Well, that's what we're doing.
[redacted]

[redacted]

CL: [redacted] ***That's my point, by them snooping around on him gave us the heads up on the law.***

DB: ***Right, right.***

CL: ***So now we know that nobody in that deal is a convicted felon can get any money from a casino, which is quite a shame truthfully.***

DB: ***Yeah, really, real rehabilitative.***

CL: ***Yeah, what about if some fuckin gangbanger hit it, but now you won't give him money because he was in trouble in his life?***

DB: ***Yeah, really?***

CL: ***It should be illegal, that's what it should be.***

DB: ***Well, it certainly sounds like it's unconstitutional.***

CL: ***Yeah, but either here nor there we're moving on with it so it was good that they thought Gary was involved and started calling his attorney about his past.***

[redacted]

●●●●

CL: Well, we'll see what happens. Staying clear of it, working on it now. But like I said at least we got a heads up on it. You know what I mean?
DB: Ah huh.
CL: I'm sitting like a [inaud].
DB: You should be alright though, right?
CL: Yeah [inaud]
DB: Fuck 'em.

December 12-14, 2012
Boston Business Journal article is released: (See attached Exhibit 11.) Note article topic is potential problems with Wynn Everett site: Environmental issues specified; Specific identification of Gary DeCicco being on Corporate filings of FBT with DeNunzio, Lohnes, and Gattineri; also discussed DeCicco's criminal history, conviction for insurance fraud, forgery, and he was indicted but acquitted of arson that was related to the other charges for which he was convicted.

December 14, 2012
Lightbody-Gattineri alleged Memorandum of Transfer of Lightbody's 12.5% interest in FBT Everett Realty LLC; Note also Dustin DeNunzio's later admission to changing of the dates of the alleged December transaction date from December back to August.

December 14, 2012
Promissory Note from Anthony Gattineri to Charlie Lightbody amounting to $1,700,000 at 7% interest (Maturity date 1/14/17); Note conflict with earlier August note and later statements made by Lightbody during MSP interviews in July 2013 and discussed below. Dustin DeNunzio also indicated these documents were not prepared until January 2013.

December 19, 2012
Two Option Agreements between FBT and Wynn executed (Everett and Boston properties); Dustin DeNunzio and Wynn CFO Matthew Maddox are signatories;

December 20, 2012
Telephone Conversation
Lightbody/Bufalino
CL: ***We*** *signed the deal yesterday.*
DB: *Ya, ya, I seen it on the news.*
CL: *When?*
DB: *You know what, that was a couple of days ago.*
CL: *No, that was the fucking fake one.* [redacted] ***So now we actually signed it.***
DB: *Good.*
CL: *You ain't kiddin.*
DB: *That's a welcome Christmas gift, no?*
CL: *You ain't kiddin buddy. That's for damn sure. It's all good.*

Late December 2012
Charles Lightbody submits loan application for Sons of Italy Mortgage; Lender provides "Collateral Analysis" (dated January 2013) reflecting information provided by Lightbody that he asserts a 13.5% interest in the "Monsanto Property" worth $10,000,000 in one year due to "Wynn's purchase."

January 10, 2013
Telephone Conversation
Lightbody/Bufalino
DB: *How's things in Everett?*
CL *Good, I mean* ***we're waiting,*** *we got until the 15th (that is, Tuesday January 15th application filing deadline set by MGC) for them to sign this thing. I don't know why he is waiting [inaud] so motherfucking long, I'll tell you the truth.*
DB: *Right, right, right.*
CL: *But you know they're talking [inaud] 400,000, which I can live with on the 14th which is two days, so.*
●●●
CL: ***We*** *got til Tuesday so maybe* ***we'll*** *get some news by then.*
DB: *Good, very good.*

January 14, 2013
Wynn Resorts, LLC files for Category 1 License in Region A for Everett Site.

January 15, 2013
MGC Deadline for Applicant Filing of Applications with $400,000 Fee;

January 16, 2013
Telephone Conversation
Lightbody/Bufalino

CL: You haven't seen the paper today buddy, big, big news. They say we're the favorite by a long shot right now.
CB: They say you're what?
CL: He's the favorite.
DB: You're the favorite?
CL: Steve Wynn, to win the casino license. They said he's a big favorite.
DB: Really?

[redacted]

February 28, 2013
Telephone Conversation
Lightbody/Bufalino
● ● ●

[redacted]

[redacted]

CL: [Inaud] I would prefer it, I wish the fuck Wynn would say I'll put a slot parlor here.
DB: Yeah, less overhead.
CL: Yup, less overhead and and you know people would fuckin flock there, the place would be full every day.
DB: Yup, yup and you're gonna make x amount on every dollar no matter what the fuck happens.
CL: Exactly, yup.
DB: Damn alright well good, I am glad you caught that, I found it fuckin interesting as a fuck.
CL: Awesome, my guy was excited about getting it [inaud]. How did you find out? I said you don't want to know.
DB: No, you really don't want to know.
[laughter]
DB: But the guy, but the guy is gonna need a job in about two years.
[laughter]
CL: Exactly. He'll be calling you up saying, he remember [inaud] that was me!
[laughter]
CL: That's funny.
[redacted]

June 22, 2013
Everett casino referendum overwhelmingly passes in Everett.

June 27, 2013
Telephone Conversation
Lightbody/Bufalino
CL: Everything else is going good though buddy … I mean everything looks good in Everett.
DB: Did you get that shit I sent you?
CL: Yes I did, yeah. [redacted]
DB: Yeah. Did you, did you send out for the [inaud] from the Wynn project?
CL: The what?
DB: The Wynn project. The casino. Did you send out for that?
CL: Yeah, I had Dustin do it. Dustin got all that information. We actually had a meeting [inaud].
DB: Did he get it yet?
CL: No, I didn't get it yet?

DB: Cause I didn't get mine neither. I just send them another fucking letter the other night saying, hey where is this shit? You know, by law you gotta [inaud].

CL: I haven't gotten it yet.

[Conversation continues.]

CL: Speaking of that, I got some good news for you. You can read between the lines.

DB: Yup.

CL: Like, I, I, I did something over near that Everett casino. You know I, I, I bought out of the casino, you know that, but …

DB: Right.

CL: The other thing around the corner that goes with a casino I own. It's the best thing you can have with a casino. There's only two things, woman and booze, right around the corner. Fucking locked it up. Locked up tight as a drum."

July 9, 2013

On this date Dustin DeNunzio is interviewed by IEB investigators for the first time. During this interview, DeNunzio details the origin of FBT Everett Realty and specifically confirms and details the original ownership and considerable involvement of Gary DeCicco; DeNunzio asserts that DeCicco was removed from FBT "long before casinos came up"; DeNunzio also indicates that he, Gattineri and Lohnes have an ownership interest in a Chelsea Parking lot, which was (according to DeNunzio) acquired from DeCicco; Despite MSP investigators posing several specific questions to DeNunzio regarding whether there were any other persons with any interest or involvement in FBT Everett Realty or in financially benefitting from **Wynn MA, LLC**s. **Everett property acquisition, DeNunzio fails or refuses to identify the involvement of Charles Lightbody nor does DeNunzio even mention his name during the interview**.

July 9-10, 2013

Dustin DeNunzio speaks with attorney Paul Feldman and discusses being interviewed by IEB investigators. Mentions failure to reveal Charles Lightbody's name or previous involvement in FBT transactions. Inquires as to the legality of backdating documents to reflect August 2012 alleged transaction date of Lightbody/Gattineri's property interest buyout. These documents would contrast with documents previously prepared by Feldman in December 2012-January 2013 reflecting transaction date during that period. DeNunzio then personally changed the document to reflect earlier date of August 15, 2012.

July 10, 2013

The following day after failing to mention Charles Lightbody's involvement, interest, or even name, Dustin DeNunzio now contacts [redacted] and volunteers that he failed to mention Charles Lightbody during interview day before. This sudden disclosure is later expanded upon in a follow up recorded interview on July 11, 2013 with IEB investigators and detailed below. **Most importantly, after talking to attorney Feldman and discussing need to reveal Lightbody's involvement, DeNunzio failed to advise IEB investigator of new documents or his backdating of previously executed documents relating to this transaction.**

July 10, 2013

IEB investigators conducted a recorded interview of Anthony Gattineri. Gattineri detailed his early involvement in a business relationship with Gary DeCicco and Paul Lohnes in regard to real estate investments and essentially confirmed the origin of the FBT land transaction as outlined herein. Gattineri also specifically indicated that he had executed his acquisition of the Lightbody interest in July or August 2012, thus compounding the suspicion relating to the authenticity of the alleged August 15 documents. Gattineri also suggests that if he fails to satisfy the terms of the suspicious promissory note and transfer memorandum, Lightbody has foreclosure recourse against him (which notably, is the methodology that Gattineri himself used to acquire 15% of DeCicco's FBT interest when the latter defaulted on his original "closing day" Promissory Note) and thus a possibility of some reversionary interest in the FBT property. Gattineri later attempts to contradict this statement by asserting that he has other properties that Lightbody could attach if he defaults, however, it is notable that unlike his original 2009 Promissory Note with DeCicco, Gattineri fails to specify the exact security he exposes for this particular Note with Lightbody.

IEB: Alright, so go on with Charlie Lightbody.
AG: I mean that was it really. I bought the uhm. You know I didn't ahh I didn't officially pay him. I actually have a note with him. I actually owe him this money.
IEB: You owe Charlie?
AG: Yeah.
IEB: How much do you owe him?
AG: Like ahh a million. That was that ten percent that goes way back.
IEB: You owe him a million?
AG: Yeah.
IEB: That hasn't been paid yet.
AG: Yeah.
IEB: So he still has ten percent of the company?
AG: Well, if I don't pay him, he can take it away from me.
IEB: So there's a document that exists laying out the money arrangements between you and Charlie Lightbody and at some point you're saying what in August of this year you think?
AG: I don't know if it was last July or August, September, I don't know. It was last summer though.
IEB: But I mean so far as when you're, that's all paid off. You pay him off and he's out.
AG: I don't remember the date. I don't even know the date. It's in there though. It's in there.
IEB: But it's still, as of this, as of today you still owe?
AG: Oh yeah, I go to him, I have to owe, I mean I owe him. I gotta pay it.

July 11, 2013

Tape recorded interview of Dustin DeNunzio at Everett trailer where he now details a significant knowledge of Charles Lightbody, the "buyout" of DeCicco by Lightbody and provides specific details of how Lightbody supplied money to enable DeCicco's portion at the Everett property

closing; Importantly, this interview now confirms Lightbody's capital in the original deal to acquire the Everett property, and Lightbody's participation in certain capital calls by the FBT partners; DeNunzio claims he did not mention Lightbody's participation as he was purportedly out of the deal before Wynn's involvement; DeNunzio's full detailed knowledge of Lightbody's deep involvement in this deal clearly calls into question his reluctance to mention the involvement of Lightbody in his original IEB interview. This reluctance is more consistent with the attempted minimization of this subject's involvement in this transaction.

Again, and most importantly, not until October 15, 2013 when DeNunzio provided sworn testimony to the IEB, was it conclusively revealed that he backdated the August 2012 Lightbody/Gattineri Promissory Note/Memorandum of Transfer documents in 2013 after being interviewed about same by IEB investigators. Again, this conflicts with information from Charles Lightbody that he executed these documents in 2012. A pertinent excerpt of that testimony is set forth below.

Q. Now, let me show you what is marked Exhibit 3. This is a promissory note from Anthony Gattineri as the borrower and Charlie Lightbody as the lender. Let me ask you if you are familiar with that?
A. I am.
Q. What's the date of that?
A. August 15, 2012.
Q. Did you have a role in preparing that?
A. I did.
Q. What did you do?
A. I -- The document was originally prepared by the attorney, and I modified the document to August 15th, 2012.
Q. When did you do that?
A. I did it in July of 2013.
Q. Why did you do that?
A. Well, the August 15th date accurately reflected when Charlie Lightbody agreed to sell his interest to Anthony Gattineri.
Q. How did you know that?
A. Because that's -- we talked about that at the time as a partnership because Charlie needed to get out. I mean, there were other reasons he needed to get out, but this was a reason that the partnership said, hey, we can't even entertain this deal if you're in it. And he said I don't want to hurt the partnership, and I'll get out.
Q. When, again, did you prepare this? This was July of 2013?
A. Yes.
Q. A couple of months ago?
A. Yes.
Q. And was there anything that specifically triggered your need to prepare it then as opposed to any time before that?

A. Well, I had a meeting with [redacted] and [redacted] on the 9th of – [July].

July 12, 2013

MSP investigators conducted a tape recorded interview with Charles Lightbody during which Lightbody readily admitted his role and involvement in the initial FBT formation to buy the Everett property; Lightbody indicated he invested a total of $1,200,000 with approximately $650,000 coupled with several capital calls to reach that total. He described his interest as approximately 10-12.5% interest in FBT/Everett property. Lightbody acquired this interest (which was conveyed without actual documentation supporting this acquisition) from Gary DeCicco. He further advised when DeCicco "blew up" and failed to contribute his share for the acquisition, Lightbody invested to buy out DeCicco. Having already provided funding to the deal via DeCicco, the "buyout" was actually the execution of a promissory note by FBT principal Anthony Gattineri to Lightbody for what is now $1,700,000. While Lightbody denied he would benefit from the Wynn purchase, Lightbody also indicated that the buyout is a return of his original capital investment ($1,200,000) plus an additional $500,000 incentive for that total. Lightbody is also to receive 7% annual interest on the $1,700,000 for five years to complete his transaction. As noted in other portions of this sections of this report, Lightbody maintained the conflicting assertion that he bought out DeCicco via the Gattineri promissory note, "about a year ago in late July or early August." The latter assertion is contradictory to testimony of Dustin DeNunzio who indicated that he had only created the documents in July 2013 especially when coupled with Lightbody's denial that he had executed any other documents regarding FBT and the Everett property. (See also entry below for July 16, 2013 interview of Lightbody.) In this statement Lightbody also admits he ***"was in the bushes the whole time***" during the early courtship of casino companies of the Everett site. Lastly, the clearly admitted extensive involvement of Lightbody and his investment funding via DeCicco in the original FBT formation and acquisition of the Everett of property sharply contrasts to DeNunzio's failure to even mention Lightbody's involvement in the initial MSP interview on July 9, 2013. This assertion is also contradicted by the 2013 mortgage application that Lightbody filed in which he claimed an interest in the property.

July 15, 2013

FBT member Paul Lohnes was interviewed in a recorded statement by [redacted]. During the interview, Lohnes outlined the origin of FBT Realty and indicated he put up the initial nonrefundable $1,000,000 deposit for the Everett transaction. Lohnes further corroborates the involvement in FBT of the DeCicco and Lightbody and further discusses the convoluted exchanges of promissory notes, inter-party money transfers and ownership interest changes. Lohnes described an eventual distrust of Gary DeCicco, despite having significant business relationships with him, also detailed that his original FBT interest was 50% and the remaining 50% belonging to DeCicco and other DeCicco affiliates including Charlie Lightbody. Lohnes indicated that Lightbody and Gattineri were brought into the deal by DeCicco. Lohnes also confirmed having met with Wynn representatives and named Kim Sinatra, Matt Maddox and other Wynn consultants at the Everett property trailer. Lohnes denied any discussion during that

meeting where either Lightbody or DeCicco's interest or name was mentioned. Importantly, however, Lohnes did indicate that "way back at the beginning" he (Lohnes) knew from Dustin DeNunzio that Lightbody had been in jail. This latter statement confirms at least two of the principals of FBT had early knowledge of Lightbody's criminal history.

July 16, 2013

On this date Charles Lightbody was interviewed by MSP investigators and in a short recorded statement confirmed his provision of funding into the FBT transaction and emphatically stated that he had not executed any documents regarding his promissory note from Anthony Gattineri since approximately late July or August of 2012 when the Gattineri promissory note was purportedly executed. Importantly, his confirmation of documents reflecting this transaction is in stark contrast to later sworn testimony of Dustin DeNunzio that only prepared these retroactive 2012 documents the following year in July of 2013 after being interviewed by the MSP about this transaction.

KC: *Yeah, the date is Tuesday, July 16, 20213. This is* [redacted] *along with* [redacted] *and Charles Lightbody. Charlie, do I have your permission to tape record this:*

CL: *Yes.*

KC: *Okay, and Charlie, this is just regarding you had called me earlier today. Correct?*

CL: *Yup.*

KC: *You had located some cashier's checks?*

CL: *Yup.*

KC: *Related to the FBT situation. Correct?*

CL: *Right, yup.*

KC: *So now you are going to allow me to take these?*

CL: *Yup, two checks.*

KC: *Okay, I'm gonna say two checks; one number 511690153-8 for $16,870, a recent from Citizens Bank as well as a official check from Northeast Community Bank 210000573, um, for $230,205 and I have your consent to take these?*

CL: *Yes, you do.*

KC: *And you say you have copies for whatever you need for these?*

CL: *Yup.*

KC: *Okay. Do you have any other checks for this?*

CL: *No, no. I usually keep them together … I kept. These are for something else. Like I said I'm going to pull the whole year for Citizens Bank for you.*

KC: *Awesome. How long do you think that would take?*

CL: *Well, the manager wasn't in today but it doesn't take long … usually few days. I think I can go back to '09, but they just punch it in the computer and get it done.*

KC: *Not a problem … appreciate it.*

IEB: ***When we were on the phone earlier, I had mentioned I had asked if you had signed anything recently with Dustin. Have you?***

IEB: ***No.***

IEB: ***Have you re-signed any notes for Anthony Gattineri?***
CL: ***Nothing.***
IEB: ***Nothing? Have you signed anything regarding, relating to FBT within the last year?***
CL: ***No.***
IEB: ***Nothing?***
CL: ***No.***
IEB: ***And when I spoke to you the first time, I believe you said that first note was dated July.***
CL: ***The end of July.***
IEB: ***You think the end of July of 12 … 2012?***
CL: ***Yes.***
IEB: ***And since that time have you signed any additional notes?***
CL: ***Nothing.***
IEB: ***Are you sure about that?***
CL: ***100%.***

August 12, 2013

In response to an August 1, 2013 letter from Kevin Tourek, Compliance Officer of **Wynn Resorts, Limited**, addressed to Dustin DeNunzio on behalf of FBT Everett Realty, LLC, wherein the applicant requested confirmation of "representations made in correspondence from January 17, 2013 through Kim Sinatra that the sole equity owners of FBT were yourself, Paul Lohnes and Anthony Gattineri" … "… please confirm any other direct or indirect equity participants since FBT took title to the property indicating the period of ownership of each person." DeNunzio replied as follows:

I write in response to your letter dated August 1, 2013. On October 9, 2009, FBT Everett Realty, LLC ("FBT") was organized by the filing of a Certificate of Organization with the Massachusetts Secretary of State. On October 15, 2009, FBT recorded the deed to the Everett property.

The direct or indirect ownership of FBT since FBT took title is as follows:

The owners of FBT in 2009 and 2010 were Paul Lohnes, Anthony Gattineri, Gary DeCicco and Charles Lightbody.

In 2011, The DeNunzio Group, LLC became an additional owner of FBT. Dustin DeNunzio is the 100% owner of The DeNunzio Group, LLC.

Gary DeCicco agreed to relinquish the extent of his ownership interest in FBT in early 2012. Prior to the execution of the option agreement with Wynn on December 19, 2012, Charles Lightbody also agreed to transfer all of his ownership interest in FBT to Anthony Gattineri.

Since before December 19, 2012, and through the present, the sole equity owners (direct or indirect) of FBT have been Paul Lohnes, Anthony Gattineri and The DeNunzio Group, LLC.

The above information should be contrasted to the recorded information of Charles Lightbody especially in light of his denial of signing any documents since July or August 2012 and DeNunzio's later testimony of his creation of the Gattineri/Lightbody Promissory Note dated August 2012 in July 2013. Thus, the representations to the applicant are highly suspect as are the representations that have been made to the IEB during this investigation. Please note also the apparent intentionally vague wording of the Lightbody paragraph – no dates are given.

August 15, 2013
Lightbody-Gattineri alleged Memorandum of Transfer of Lightbody's 12.5% interest in FBT Everett Realty LLC; Note also Dustin DeNunzio's later admission to changing of the dates of the alleged December transaction date from December back to August.

September 13, 2013
Gary Decicco was subpoenaed to testify under oath before the Investigations and Enforcement Bureau. He appeared but did not testify, asserting his 5th Amendment rights under the United States Constitution. Decicco signed an Affidavit dated September 13, 2013 stating that he appeared at the Massachusetts Gaming Commission and was asserting his 5th Amendment rights.

October 18, 2013
Anthony Gattineti appeared pursuant to a subpoena to testify under oath before the IEB but did not testify, asserting his 5th Amendment rights under the United States Constitution.

October 23, 2013
On this date, City of Everett Mayor Carlo DeMaria was interviewed by IEB investigators. During that recorded interview certain relevant information was provided. It should be noted Mayor DeMaria had actively represented Everett in discussions with both the property owners and the applicant since the filing of the Phase 1 application. Mayor DeMaria has, since the passage of the Gaming Act, been an active spokesman soliciting gaming applicants for his City. Information developed by the IEB indicated that Mayor DeMaria had long term a personal friendship with Charles Lightbody and was aware of his interests in the FBT property. DeMaria also indicated that "…my only contact for FBT would've been Charlie." More importantly, during the interview with the IEB, Mayor DeMaria indicated in response to IEB questions that Lightbody expressed that he was excited about the recent overwhelming approval of the **Wynn Ma, LLC** public proposal by the Everett voters (on June 22, 2013) and confirmed that in his (DeMaria's) opinion it appeared he (Lightbody) was still involved and would financially benefit from the FBT transaction. This statement clearly contradicts the earlier representations that Lightbody had extinguished his beneficial ownership interests in the subject property before the applicant's option acquisition. The following is a pertinent excerpt of that conversation.

Q: ***When the City of Everett uhm voted, you know, the referendum and gave the thumbs up for casinos, did you talk to Charlie regarding that incident, regarding that, was he still excited about it?***

CD: ***Yes.***

Q: ***Okay. In your opinion, did it appear that he was still involved and was gonna make some money off FBT?***

CD: ***Yes.***

Q: ***Okay. And when was that referendum in the city?***

CD: ***June.***

Q: ***June, 2013 obviously****?*

CD: Yes.

Q: Uhm…sometime after that June let's say within a month or so, whatever you said, you spoke to him and he said I'm out.

CD: Right.

Q: And didn't get into the details at all?

CD: No.

Q: Okay.

Q: And after that, did you say that or would you say that that's when you stopped speaking with him as often or…

CD: Yeah I never knew…ah…the background I guess.

October 24, 2013

Charles Lightbody refused to appear before the IEB to testify under oath, despite being subpoenaed to do so.

As noted in the materials detailed above, the IEB conducted a comprehensive investigation of the circumstances surrounding the applicant's acquisition of the FBT Everett Realty, LLC property in Everett, Massachusetts. This inquiry revealed a complex series of suspicious actions by the sellers which prevent the absolute final determination as to whether Charles Lightbody, and perhaps Gary DeCicco, possessed an ownership interest in the project property at and/or after the time of its option agreement sale to the applicant. Further, the investigation also raised significant issues regarding the conduct of the remaining sellers, that is, Paul Lohnes, Dustin DeNunzio and Anthony Gattineri, during the period when the applicant became involved in the acquisition process. The inquiry was also hampered by the refusal of Anthony Gattineri and Gary DeCicco to provide sworn testimony to the IEB via their assertions of their Fifth Amendment privileges against self-incrimination. Additionally, despite being subpoenaed to testify before the IEB, Charles Lightbody, too, refused to appear and provide

testimony under oath to the IEB. The details of this subject's conduct are already set forth in this report and may be summed up as being questionable, at best, or intentionally deceitful at worst. It is clear that, however, such improper actions were neither known to nor participated in by the applicant.

As such, it is not the actions of the applicant which must be remedied herein, but the perceived misconduct of a related beneficiary of the transaction that the Commission, through its authority over the applicant/potential licensee, must address to assure that the statutory objectives and prohibitions are fully respected. To achieve this objective, the IEB findings can be focused on certain specific types of conduct that are capable of being characterized and grouped. These activities have already been chronicled in this report, so to avoid unnecessary repetition, selected examples of such seller misconduct are summarized in a series of general headings as follows:

1) Evidence exists to suspect that Charles Lightbody, a convicted felon, may have retained an interest in the Everett property well after the applicant had been advised that he had been removed;

2) Similarly, Charles Lightbody may have a legal reversionary interest in the event Anthony Gattineri does not repay his promissory note obligations;

3) Documents were provided to IEB investigators that were said to evidence in written form the specified transactions, that is, Promissory Notes dated August 15 and December 14, 2012, and Memoranda of Transfer dated August 15 and December 14, 2012, and which purport to have been executed on those dates, but in fact, may very well not have been prepared or executed on the depicted dates;

4) Sworn or recorded testimony of sellers provided directly conflicting information about when such documents were prepared or executed, including, for example, when certain Promissory Notes and Memoranda of Transfer for Charles Lightbody and Anthony Gattineri were executed;

5) One document provided that a purported transfer of Gary DeCicco's alleged FBT Everett Realty, LLC ownership interest to Charles Lightbody occurred in April 2012 despite no

previous mention of DeCicco's ownership of such rights or interest just four months before in the entity's Operating Agreement;

6) Dustin DeNunzio provided sworn testimony that he personally altered the dates on the August 2012 Promissory Note and Memorandum of Transfer forms provided by his attorney to reflect the earlier date so as to provide documentary support after he and other sellers had been interviewed by the IEB investigators over one year later in July 2013;

7) Charles Lightbody in graphic taped evidence that confirmed that he knew of the restrictions against felons involvement in the gaming industry and further that he and his "partners" were working to "double or triple blind" his interest in the deal;

8) The IEB investigation also raised the question that, if Charles Lightbody was truly removed as an FBT interest holder in August 2012, his present and continued involvement in meetings and discussions where decisions were made with other interest holders/partners well into December 2012, and by his own recorded statements into 2013, present persuasive factual evidence indicating the contrary; and

9) Charles Lightbody filed for a 2013 mortgage and provided an application **after** the Wynn Option Agreement was executed wherein he cited his interest in the FBT Everett Realty, LLC as a $10,000,000 asset to support his Collateral Analysis for mortgage eligibility despite he and other sellers asserting he was already out of the deal at least four months earlier in August 2012.

Based upon the information developed in its lengthy investigation and summarized in this report, the IEB believes that a substantial basis exists to believe that material information was being withheld by the sellers from both the applicant and the IEB investigators; false and deceptive information and documents were being provided; and evidence existed that at least one of the sellers, that is, Charles Lightbody, possessed a significant criminal history and took affirmative steps to conceal his role and interest in the transaction so as to avoid jeopardizing the sale of the property to applicant **Wynn MA, LLC** and thus preserve the opportunity to share in enhanced financial rewards due to the site's potential casino use.

Because of the evidence, misrepresentations and withheld information on the part of the FBT principals, the entire picture of FBT's manipulations could not be drawn with precision.

Upon further review there may indeed be other circumstances that have not yet come to IEB's attention.

However, one important aspect of the IEB investigation was to conclusively determine if the applicant had any complicity or knowledge in the misconduct described above. As noted, no evidence whatsoever was developed that suggested any involvement or knowledge of the applicant or any of its qualifiers, principals, or key representatives in the cited misconduct. Indeed, after the IEB had determined the scope and participants in the suspected misconduct, over the ensuring weeks, the applicant was provided certain information outlining the seller misconduct. The applicant was also specifically advised that these circumstances posed a potential hurdle to its suitability.

After consultation with representatives of the IEB and applicant, the applicant advised that it would immediately commence negotiations with the sellers to discuss placing them in default due to a provision in the Option Agreements that allowed withdrawal if any action of the seller jeopardized the applicant's licensure suitability.

Since notification of the issues, the applicant was involved in intense negotiations with FBT representatives. The applicant has reported to the IEB a final resolution to such negotiations. An agreement has been reached between the parties pursuant to which FBT will receive a substantially reduced payment for its property. The payment will be based on an assessment founded on the basis if the property were not to be used as a casino. A copy of the agreement has been provided to the IEB and must be approved by the MGC.

D. WYNN RESORTS CASINO GAMING OPERATIONS IN LAS VEGAS

Wynn Las Vegas was opened on April 28, 2005. On December 22, 2008, Encore at Wynn Las Vegas, an expansion of Wynn Las Vegas, was opened. Wynn Las Vegas/Encore ("WLV") operate as fully integrated operations.

WLV features approximately 4,750 hotel rooms and suites, 240 table games, 2,195 slot machines, a race and sports book and a poker room in approximately 186,000 square feet of casino gaming space, (including a sky casino and private gaming salons).

SECURITY OPERATIONS

James Stern ("Stern") is the Senior Vice President of Corporate Security for **Wynn Resorts, Limited**. ("**Wynn Resorts**") and reports directly to Steve Wynn. Stern has held this position for approximately six years following his retirement from the Federal Bureau of Investigation. His responsibilities include oversight of all security operations of WLV and Wynn Macau/Encore ("WM"). His department includes Security Investigators in Las Vegas and Macau who perform due diligence and other corporate security investigations.

With respect to WLV operations, there are four directors of security. Specifically, reporting to Stern are the following positions: Director of Property Security, Executive Director of Investigations, Director of Nightclub Compliance, Investigations and Director of Investigations/Crisis Management. The WLV property is staffed by over 400 Security Officers, Corporate Investigators, Bike Unit Officers, K-9 Officers, Report Writers, Crisis Response Team Members and Security Control Center Operators. The Director of Security for all security operations at WM also reports to Stern.

The WLV Crisis Response Team ("CRT") has been utilized for about four years and its purpose is to assist in the response to an active shooter at WLV. The CRT Security Officers receive regular training and are required to qualify with their firearms on a regular basis. The team was created in consultation and with the knowledge of the Las Vegas Metropolitan Police Department.

The WLV Nightclub Taskforce is a recent creation at WLV by Stern. It was created specifically to deal with issues such as underage drinking and other matters that are typical of nightclubs. All of the clubs at WLV are owned by WLV.

The WLV Security Manual was reviewed. The manual consists of about 250 pages of Security Department policies and procedures. It was found to be thorough and well organized.

The Security Department creates their reports utilizing the iTrak system. They produce a daily report summarizing key events which is circulated to Executive Management.

It was noted that WLV has had no liquor license infractions resulting in a fine during the past three years. Stern advised that WLV is one of the few casinos in Las Vegas that owns its own clubs and, therefore, has more control over club operations.

The most serious crime they have experienced was the armed robbery during 2013 of a guest in a WLV elevator. The robber, after stealing $10,000, was identified and located. He committed suicide before he could be prosecuted.

SURVEILLANCE OPERATIONS

The WLV Surveillance Department procedures, staffing and camera coverage were reviewed and found to be more than adequate. Details are proprietary to the applicant and, therefore, confidential. They are available for MGC review in the files of the IEB.

A review was conducted of the WLV Surveillance Manual, which is compiled online for regular review by the Surveillance Staff. The Surveillance Director advised that she is given sufficient resources to effectively manage her department. This is evidenced by the fact that she has the resources for a full time training officer, which is especially useful in a Surveillance Department which are known to have steep learning curves.

COMPLIANCE PROGRAM

The **Wynn Resorts** Compliance Program was reviewed with Kevin Tourek ("Tourek"), General Counsel WLV and Compliance Officer for **Wynn Resorts**. This investigation reviewed the previous Compliance Program document, as well as the recently Amended and Restated Gaming Compliance Program of **Wynn Resorts Limited** ("Compliance Program"), which was

adopted on May 7, 2013 and approved by the Nevada Gaming Control Board (“NGCB”) on June 7, 2013. The stated purpose of the **Wynn Resorts** Gaming Compliance Program ("Program") is to (i) monitor compliance with gaming laws applicable to the Gaming Operations of **Wynn Resorts** and its affiliate companies in Nevada and other jurisdictions; (ii) report regulatory violations and/or compliance issues which may adversely affect the objectives of gaming control in Nevada and other jurisdictions; (iii) keep the Nevada Gaming Control Board (“NGCB”) advised of the compliance efforts in Nevada and other jurisdictions; (iv) ensure that due diligence investigations are performed with respect to material transactions and business associations and (v) receive input from Gaming Authorities to assist **Wynn Resorts** in enhancing its compliance efforts with respect to gaming laws.

Due diligence guidelines were reviewed with respect to the information obtained and level of review conducted concerning Material Transactions, Executive and Key Employees, Professional Advisors, Independent Agents and Junket Representatives and Material Financings

WLV vendors go through the standard Nevada vendor registration process. WLV does not investigate every vendor. WLV conducts its own due diligence on vendors with whom they do more than $350,000 business annually. Tourek stated that vendors have to be registered in the vendor portal to get paid and the process is performed with significant depth. It is to be noted that the same vendor guidelines apply in Macau.

Independent Agents and Junket Representatives of WLV are licensed in Nevada. The terms Independent Agents and Junket Representatives are interchangeable. Some of these Independent Agents are exclusive to Wynn and some are not exclusive. Stern does a background review on the Independent Agents in Las Vegas. WM conducts its own due diligence on WM Junket Representatives (and their employees) twice annually. Due diligence is done on all new junkets. The results of the WM Junket due diligence investigations are provided to the NGCB to the extent possible because of limitations under Macau data privacy laws.

Wynn Resorts attempts to mirror the WLV Compliance Program at WM. However, there are certain aspects that cannot be accomplished in Macau due to data privacy laws.

Implementation and administration of the Compliance Program with respect to all gaming operations of **Wynn Resorts**, both in Nevada and Macau, is centrally controlled by a

Compliance Committee ("Committee") with day-to-day responsibility for implementation provided by a Compliance Officer. As such, the operations of applicant's proposed Massachusetts gaming establishment will also be subject to the compliance policies as set forth in the Compliance Program, subject to any additional requirements imposed by the MGC. The **Wynn Resorts** Compliance Committee is composed of at least three members, including one person who is not an executive or employee of the company, and two executives of the company.

The Compliance Committee results are reported to the **Wynn Resorts** Board of Directors by the independent member, who is also a **Wynn Resorts** Board Member, as well as the Chairman of the Compliance Committee.

The Compliance Committee meets on a quarterly basis. Prior to the meetings, the members are provided with a Compliance Report prepared by the Compliance Officer on a quarterly basis. The Quarterly Compliance Report ("Quarterly Report") contains information and includes documentation regarding the due diligence and continuing due diligence investigations conducted during the preceding quarter with respect to all Material Transactions, Executive and Key Employees and Junket Operations. The Quarterly Report also contains a discussion of and documentation concerning such topics as Material Litigation, Acts of Wrongdoing, Material Corporate Financings, Loans to third parties, reportable transactions and regulatory filings, any material internal control deficiencies noted in the quarterly audit reports, and material changes to compliance policies **Wynn Resorts** provided the last three years of Quarterly Compliance Reports, which were reviewed as part of this investigation.

Minutes of all Compliance Committee meetings, which contain sufficient detail to reflect the decisions of the Compliance Committee, are kept by the Compliance Officer and provided to the Chief Executive Officer of **Wynn Resorts**, as well as the Audit Committee. Copies of the ratified minutes of all Compliance Committee Meetings are further filed with the NGCB.

FCPA Training is done annually by the law firm of Gibson and Dunn. Training is given to the Board of Directors and WLV Officers. Additionally, Internal Audit and individuals in Corporate Finance along with Executives of Wynn Design & Development attend the training provided to WLV Executives (Division Heads, Vice-Presidents and above). Hotel Directors and above and Casino Hosts also are required to attend. FCPA training is also provided to employees

of the Branch Offices. Wynn Macau does similar training for the top levels of its employees and its Board.

Wynn Resorts maintains a hotline/whistleblower program. The hotline has not been receiving whistleblower type calls. However, it does receive numerous Human Relations related calls. **Wynn Resorts** did receive notification on this line regarding a payroll fraud in Macau, where some employees were found to be padding their hours.

Regulatory Infractions

WLV has received only two citations from the NGCB during the past three years and neither violation resulted in a fine. On May 23, 2013, the NGCB notified WLV of an infraction related to an investigation on November 30, 2012, related to a change made by WLV in the rules of a poker tournament. The NGCB also cited WLV for an underage gambling incident on April 20, 2013. WLV self-reports incidents of underage gambling to the NGCB. During 2012, seven incidents of underage gambling were reported to the NGCB and, during 2013, ten incidents were reported, which included the above April 20, 2013 incident.

The WLV Liquor License is current and in good standing with no violations during the past three years.

[redacted]

The WLV Anti-Money Laundering Compliance Program was reviewed and found to be very thorough. The following Currency Transaction Reports Casino ("CTRC") and Suspicious Activity Reports Casino ("SARC") have been filed during the most recent three year period:

[redacted]	[redacted]

[redacted]

HUMAN RESOURCES

Carrie Messina is the Vice President, Human Resources ("HR") for WLV. Her responsibilities include the employees of Wynn Encore, who are, in fact, employees of WLV. She reports to Maurice Wooden, WLV President.

WLV currently has about 12,000 employees. There have been unions at WLV since they opened in 2005. The Culinary Workers Union and the Bartenders Union represent about 4,500 employees at WLV. The Transport Workers Union of America ("TWUA") organized the full time dealers at WLV and now represent about 400 members.

Only the full time dealers at WLV are covered by the collective bargaining agreement with the TWUA. WLV part time dealers are not covered and none of the dealers at Encore are covered.

Tourek explained that in 2006, Steve Wynn, in an attempt to improve guest services, restructured the traditional gaming floor hierarchy. He replaced Pit Supervisors with Customer Service Team Leaders ("CSTL"). In order to incentivize the CSTL to provide enhanced customer service, he reorganized the tip sharing to include the CSTL. The new tip sharing program allowed the CSTL to receive 40% of a full share that goes to a dealer. The new plan also allowed the "box man" at the craps tables to receive 20% of a full share. The WLV dealers fought this

and brought in the TWUA. Tourek advised that WLV reached an agreement with the TWUA in 2009 which provided for basically the same tip sharing plan. The dealers have also filed a number of civil suits regarding the tip distribution and other matters, all of which have been unsuccessful to date.

WLV has not experienced any work stoppages or other work actions.

The HR Department provides face to face annual training to every employee which covers Ethics, Code of Conduct and Responsible Gaming. This investigation also reviewed the **Wynn Resorts**' Code of Business Conduct and Ethics Policy, which all employees, officers and directors of **Wynn Resorts** and its subsidiaries are expected to comply.

VII. APPLICANT ENTITY AND INDIVIDUAL PERSON QUALIFIERS SUITABILITY SUMMARY OF FINDINGS

A. ENTITY QUALIFIERS

1. WYNN MA, LLC[21]

WYNN MA, LLC
3131 Las Vegas Boulevard South
Las Vegas, NV 89109

Point of Contact: Kimmarie Sinatra, Senior Vice-President/General Counsel/Secretary
Telephone: 702-770-2112
kim.sinatra@wynnresorts.com

Wynn MA, LLC ("**Wynn MA**" or "applicant") is the applicant herein for a Category 1 gaming license. **Wynn MA** was formed in Las Vegas, NV on May 31, 2011 and registered in Massachusetts as a foreign Limited Liability Company in Massachusetts on January 17, 2013. The registered agent is Corporation System at 155 Federal Street, Suite 700, Boston, MA 02110. **Wynn MA** is a Limited Liability Company, as of April 24, 2013, with officers listed as Matthew Maddox, President and Treasurer, and Kim Sinatra, Senior Vice President/Secretary. Prior to April 24, 2013, Marc Schorr ("Schorr'), the former Chief Operating Officer for **Wynn Resorts, Limited** ("**Wynn Resorts**"), was the President of **Wynn MA**. However, in connection with the retirement of Schorr on June 1, 2013, Maddox was promoted to President of **Wynn MA**.[22] Formerly, Maddox held the position of Treasurer of **Wynn MA**. **Wynn MA** is listed as a wholly owned subsidiary of **Wynn Resorts**, a publicly traded company currently operating Wynn Las Vegas. **Wynn MA** has neither gaming nor operating history other than the preliminary work done in Massachusetts in connection with the proposed casino project in Everett.

[redacted]

[21] Financial reports for the qualifiers are attached to this report as Exhibits 10 through 21.

[22] On November 5, 2013 Maddox was also promoted to President of **Wynn Resorts**.

[redacted]

Investigation confirmed that **Wynn MA**'s business tax records and tax history are clean. A financial analysis was also conducted, the results of which are contained in a financial report supplement attached hereto and are retained in the records of the IEB. **Wynn MA** is not currently licensed by any gaming authorities and, as such, a gaming regulatory history check with respect to this entity was not applicable. However, please refer to the report with respect to the gaming licenses held by **Wynn Resorts** and its affiliate companies.

Research of available online and print media sources did not reveal any material items of a derogatory or adverse nature directly relating to either entity.

A civil litigation search relative to liens, bankruptcies and judgments in the state of formation and all other states that have such information online has been conducted. These actions have been examined in this investigation and the records do not reveal any information that is adverse or material to the suitability of the entity qualifiers. Records relating to such actions are retained in the IEB.

An online search of Massachusetts political contributions found no contributions attributed to **Wynn MA** that were prohibited by M.G.L. c. 23K §46 and §47.

Based upon the comprehensive investigation of **Wynn MA**, the investigation did not reveal any information that would preclude a finding that **Wynn MA**, via its individual qualifiers, possesses the requisite integrity, honesty and good character that are statutorily mandated in M.G.L. c.23K §12(c). Further, the review of all submitted materials, independent investigation, comprehensive data base searches, personal interviews, review of available financial records and responsibility indicates that, through this entity's individual qualifiers, **Wynn MA** has demonstrated a business ability to establish and maintain a successful gaming establishment as mandated by M.G.L. c.23K §12 a (3) as well as general history of compliance with applicable gaming regulation as required by M.G.L. c.23K.

2. WYNN RESORTS, LIMITED

WYNN RESORTS, LIMITED
3131 Las Vegas Boulevard South
Las Vegas, NV 89109

Point of Contact: Kimmarie Sinatra, Senior Vice-President/General Counsel/Secretary
Telephone: 702-770-2112; Fax 702-770-1518
kim.sinatra@wynnresorts.com

Wynn Resorts, Limited ("**Wynn Resorts**") is a publicly traded company listed on the NASDAQ under ticker symbol "WYNN." **Wynn Resorts** was incorporated in the State of Nevada on June 3, 2002; Nevada Secretary of State filing number C14059-2002. This company is listed as a domestic corporation and is currently in good standing. This company is currently active. Kimmarie Sinatra is listed as the registered agent, at the registered office address of 3131 Las Vegas Blvd S, Las Vegas, NV 89109.

Wynn Resorts currently owns Wynn Las Vegas, LLC, which operates Wynn Las Vegas and Encore at Wynn Las Vegas located in Nevada ("Wynn Las Vegas Properties"). Wynn Las Vegas, LLC was formed on April 17, 2001 as a Nevada limited liability company, for the purpose of constructing and operating the Wynn Las Vegas Properties. The sole member of Wynn Las Vegas, LLC is **Wynn Resorts** Holdings, LLC ("WR Holdings") and the member of WR Holdings is **Wynn Resorts**.

Wynn Resorts is also the owner of a 72.3% interest in Wynn Macau, Limited ("Wynn Macau, Ltd"), which operates Wynn Macau and the Encore at Wynn Macau, located in the Macau Special Administrative Region of the People's Republic of China ("Wynn Macau Properties"). The other 27.7% of Wynn Macau, Ltd is publicly owned and traded on the Hong Kong Stock exchange.

With respect to the common stock for **Wynn Resorts**, the number of shares authorized is 40,000,000, with 113,400,866 shares issued and 100,537,136 shares outstanding as of the filing of the BED in January 2013. The Common Stock of **Wynn Resorts** beneficially owned, as of December 31, 2012, by **Wynn Resorts** Directors and Officers, as a group, and each shareholder who is known by **Wynn Resorts** to beneficially own in excess of 5% of the outstanding shares

of Common Stock based on information reported in Schedule 13 D or 13 G filed with the Securities & Exchange Commission ("SEC") as of December 12, 2012, is as follows:

Stephen A. Wynn:	9.9%
Elaine P. Wynn:	9.7%
13 Directors and officers as a group:	20.5%
(No one Director or Officer individually owns more than one percent)	
Waddell & Reed Financial, Inc.:	17.9%
Marsico Capital Management, LLC	8.4%

The current officers of **Wynn Resorts** are Stephen A. Wynn, Chairman of the Board & Chief Executive Officer; Matt Maddox, President & Chief Financial Officer; John Strzemp, Executive Vice President & Chief Administrative Officer; and Kim Sinatra, Senior Vice President-General Counsel & Secretary.

The current members of the Board of Directors for **Wynn Resorts** are Stephen A. Wynn, Chairman of the Board & Chief Executive Officer; John J. Hagenbuch, Director; Dr. Ray R. Irani, Director; Robert J. Miller, Director; J. Edward Virtue, Director; Alvin V. Shoemaker, Director, D. Boone Wayson, Director; and Elaine P. Wynn, Director.

[redacted]

Investigation confirmed that this entity's business tax records and tax history are clean. A financial analysis was also conducted, the results of which are contained in a financial report supplement attached hereto and are retained in the records of the IEB.

Wynn Resorts and its subsidiaries currently are licensed by, and in good standing with a number of gaming authorities. These gaming authorizations and the status of each are as follows:

JURISDICTION/AGENCY	STATUS
Nevada Gaming Commission	Wynn Las Vegas Non Restricted,

Initial - 03/04	Manufacturer & Distributor license approved. Licenses are Active. No complaints on file. WLV application to operate Internet Gaming is "in progress." On 07/16/2013 a review of the NGCB website listing of Complaints and Stipulations/Orders for all complaints filed from 01/01/2009 to the present found no complaints regarding WR entities or individual qualifiers.
Clark County Liquor and Gaming Board Initial - 03/04 Gaming Resort Hotel	Clark County Liquor & Gaming website reports Wynn Las Vegas received Gaming – Resort Hotel License and Liquor License on 4/26/2005.
US Department of Justice Criminal Division, Office of Enforcement Operations/International Prisoner Transfer Program Initial - 01/06 Gambling Devices Act Registration. Renewed annually.	Confirmed registration for the 2013 calendar year under the Gambling Devices Act of 1962 (15 U.S.C 1171-1178)
Direcção de Inspecção e Coordenação de Jogos Macau, Special Administrative Region of China Initial – 06/02 Concession	Concession received.
Pennsylvania Gaming Control Board	Withdrawn; no longer pursuing license

A discussion of the regulatory compliance history of the Wynn Las Vegas Properties and the Wynn Macau Properties is contained in the within Suitability Report at Section VI (A). A discussion of the **Wynn Resorts** Compliance Program, which is administered by **Wynn Resorts** and applicable to all **Wynn Resort** gaming operations, is also contained in the within Suitability Report at Section VI (D).

Research of available online and print media sources did not reveal any material items of a derogatory or adverse nature directly relating to **Wynn Resorts** which would affect the suitability of this entity. Although certain derogatory articles alleging improper activity by Steve Wynn have appeared in the media, this investigation did not uncover any evidence supporting any of these allegations. A discussion of the allegations which have appeared are discussed in the following subsection.

A civil litigation search relative to liens, bankruptcies and judgments in the state of formation and all other states that have such information online has been conducted with respect to **Wynn Resorts**. These actions have been examined in this investigation and the records do not reveal any information that is adverse or material to the suitability of the entity qualifiers. Records relating to such actions are retained in the IEB files and the within Suitability Report.

An online search of Massachusetts Political Contributions found no contributions attributed to **Wynn Resorts** that were prohibited by M.G.L. c. 23K §46 and §47.

Based upon the comprehensive investigation of **Wynn Resorts, Limited**, the investigation did not reveal any information that would preclude a finding that **Wynn Resorts**, via its individual qualifiers, possesses the requisite integrity, honesty, and good character that are statutorily mandated in M.G.L. c.23K §12 a (1). Further, the review of all submitted materials, independent investigation, comprehensive data base searches, personal interviews, review of available financial records and responsibility, indicates that, through this entity's individual qualifiers, **Wynn Resorts** has demonstrated a business ability to establish and maintain a successful gaming establishment as mandated by M.G.L. c.23K §12 a (3), as well as general history of compliance with applicable gaming regulation as required by M.G.L. c.23K §12 a (4).

B. INDIVIDUAL PERSON QUALIFIERS

1. STEPHEN A. WYNN

Stephen Wynn ("Steve Wynn"), [redacted], is a United States citizen and now resides in [redacted]. Steve Wynn is currently the Chairman of the Board, CEO and President of **Wynn Resorts, Limited** ("**Wynn Resorts**"), the parent company of **Wynn MA, LLC**, the applicant for a Category 1 gaming license. Steve Wynn has served in this position since June, 2000. Prior to this position, as will be further explained below, Steve Wynn served as Chairman of the Board, CEO, and President of Mirage Resorts, Inc. and Golden Nugget, Inc.

Steve Wynn is probably the most well-known gaming executive in the country, if not the world. His name has become synonymous with casinos. Reams of print and many hours of audio and video have addressed this charismatic figure. Because of Steve Wynn's notoriety, one can find many reports raising questions about his background. The IEB's investigation reviewed

those reports and found that none of them raised any issues that prevented a recommendation of Steve Wynn's suitability. However, in order to present a full picture to the MGC, this section of the Suitability Report shall discuss some of those issues in the context of the matters they address and shall explain why it is the view of the IEB that those issues do not interfere with Steve Wynn's suitability.[23]

Steve Wynn reported, and this investigation has confirmed, that Steve Wynn attended the University of Pennsylvania in Philadelphia, PA from 1959 to 1963, receiving a Bachelor of Arts degree in English Literature in 1963. Steve Wynn subsequently attended Georgetown University Law Center from 1963 to 1964, but left before obtaining a degree.

While he was in school, Steve Wynn was also working at Mar-Wynn Amusement Company/Wayson's Amusement Co., Inc., a bingo hall known as Wayson's Bingo Hall. Steve Wynn's father had worked at this legal gaming operation, located in Upper Marlboro, Maryland, but when his father unfortunately passed away. Steve Wynn, and his then-wife, Elaine Wynn, pitched in to assist in the business, eventually essentially running it for a few years. Then, in 1968, Steve Wynn moved to Las Vegas. It was then that he started his climb to his present status in the gaming industry.

Steve Wynn's first position in Las Vegas was as a slot manager at the Frontier Hotel. He only stayed there for a short time, until the property was sold to Howard Hughes. One of the unsupported media allegations against Steve Wynn was that he entered the gaming industry at this time with the assistance of persons who were later charged with concealing a hidden ownership in the Frontier. To the contrary, in connection with Steve Wynn's application for a casino license in New Jersey, the federal prosecutor in that hidden interest case submitted a letter that cleared Steve Wynn of any involvement in or association with those persons.

Steve Wynn then left the gaming industry itself and opened a liquor distributorship in Las Vegas known as "Wynn Importers." He was assisted in this effort by a local, influential banker, E. Parry Thomas ("Thomas"), a man who would be important in much of Steve Wynn's career. Wynn Importers distributed certain brands to the casinos in the City. Steve Wynn operated this

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[23] As will be seen from the discussion of these oft-repeated stories, the references to them in the taped conversations between Lightbody and Bufalino previously reported herein were mistaken.

business successfully for approximately four years before selling it. At this point, in and around 1972, Steve Wynn had identified a strip of land next to Caesar's Palace. With both financing from and the personal assistance of Thomas, Steve Wynn was able to purchase that land for approximately $1,000,000. At this point, Steve Wynn was not yet 30 years old. Steve Wynn's perceptive identification of this strip of land paid off only a brief 11 months later when Caesar's decided to expand and decided that it needed the property. So, in less than a year after he had purchased the property, Steve Wynn was able to sell it to Caesar's for $2,250,000, thus realizing approximately a $1,250,000 profit.

Another of the media allegations is that Steve Wynn's association with Thomas was somehow questionable. A major portion of this allegation is built on the charge that Thomas' bank had been involved with the Teamsters Central States Pension Fund, an original financing source for casinos in Las Vegas, and an organization allegedly tied to organized crime. What must be understood is that, in these early days of Las Vegas, banks and other standard lending institutions were unwilling to invest in casinos. In addition, Nevada law at the time prevented casinos from being public companies. Therefore, alternative sources of funding needed to be found. Thomas, rather than participating in this alternate funding, was, instead, instrumental in having the Nevada law changed to enable casinos to go public. This opened up other funding channels and limited the need for alternative methods. Through the course of many investigations, none have uncovered any evidence that the connection between Steve Wynn and Thomas was, in any way, connected to anything improper.

Using the profits from his Caesar's sales, Steve Wynn then set his sights on the Golden Nugget Casino, a downtown facility that Steve Wynn perceived had greater potential than it was realizing. He bought approximately ten percent of the stock and began to get involved in the casino's operations. At first, in June of 1973, he joined the company as a Vice-President. From that vantage point, his original perception that the facility was mismanaged was reinforced. In the space of two months, Steve Wynn was able to convince the existing Board to resign and, in August 1973, he was able to take over. He became the company's Chairman and President. Over the course of the rest of the decade, Steve Wynn was able to develop the property into one of the most successful in Las Vegas.

Next was Steve Wynn's foray into Atlantic City. When the casinos first opened there, Steve Wynn visited. What he saw astounded him. The business was booming and producing revenue previously thought impossible. He almost immediately took steps to purchase a property on the Boardwalk and, by 1980, he opened a casino there. During the course of New Jersey's background investigation for the Golden Nugget casino license, certain issues were raised. All of these issues were ultimately resolved by the State in favor of Steve Wynn's suitability.

In particular, a question was raised about an association between Steve Wynn and certain persons he had hired at the Golden Nugget. It was alleged that these people had little experience justifying their hiring, and that they had criminal backgrounds, including drug charges. New Jersey looked extensively into this allegation. So extensive was the inquiry that it could not be finished in time before the casino was ready to open, and Steve Wynn was compelled to step aside from involvement in the project until the inquiry was complete. When New Jersey did complete its review, it could present no evidence that linked Steve Wynn to any of the alleged illicit activities of these people. As a result, Steve Wynn was fully licensed.

Another question raised publicly around this time was Steve Wynn's employment of certain marketing hosts with alleged ties to organized crime. In fact, after being scrutinized by both New Jersey and Nevada regulatory authorities, none of these associations caused Steve Wynn to lose or be denied any licenses in either jurisdiction. While some of the marketing hosts employed by Steve Wynn may have had histories involving bookmaking, there was never any proof that any illicit activity was conducted by these people while in Steve Wynn's employ. When authorized casino gambling was new in the United States, it was not unusual at all for there to be involvement by persons who either gained their experience in gambling or acquired contacts with gamblers prior to legalization. Such was the case with many casinos. The IEB investigation did not disclose any information that would contradict any of the findings made by New Jersey or Nevada in this regard as concerning Steve Wynn.

Another issue that has received media attention is an ownership interest in Wynn's Golden Nugget once held by the Doumani family. The Doumanis were one-time owners of the Tropicana Hotel and Casino in Las Vegas. In the late 1970s, while under Doumani ownership, there was a federal investigation of certain Midwest organized crime figures about their

skimming of profits from that casino. While others went to prison in connection with this investigation, the Doumanis were never charged. They did, however, later, sell their interest in the Tropicana. None of this had anything to do with Steve Wynn.

However, it was disclosed by the New Jersey investigation that the Doumanis owned slightly less than five percent of the Golden Nugget when it applied for its New Jersey license. This troubled the New Jersey regulators and they asked the Doumanis to qualify as part of the Golden Nugget license. They refused. The matter was ultimately resolved when the company re-purchased the Doumani shares in a transaction approved by New Jersey, thus having the Doumanis divest themselves from any control. New Jersey was satisfied that the limited interest held by the Doumanis did not reflect adversely on Steve Wynn and it did not interfere with Steve Wynn receiving his license. The IEB did not find any evidence to the contrary.

Some media stories criticize Steve Wynn for obtaining assistance in the financing of some of his properties from Michael Milken, the investment adviser who worked with the firm, Drexel Burnham, and was linked to the junk bonds of the 1980s and early 1990s. Milken later served time in prison for securities laws violations and the Drexel Burnham firm ultimately declared bankruptcy. While it is certainly true that Steve Wynn received advice from Milken and worked on financing matters with him, so did many, many other very legitimate investors and businesspeople during that time. There is no indication that Steve Wynn was anything but one of those legitimate businesspeople. Nor is there any information supporting any allegation that Steve Wynn was involved in any of the illicit activities that resulted in Milken's imprisonment.

Finally, an article appeared in the *Irish Daily Mail* on September 7, 2012 and in the *London Daily Mail* on October 11, 2012. The articles included the phrase, "When he tried to open a casino in London to exploit the influx of rich Arabs in the early eighties, Scotland Yard denied him a license." The implication was that the license denial was due to Steve Wynn's association with organized crime figures.

This assertion was not true, and on January 22, 2013, the *London Daily Mail* printed this retraction:

> *A recent article about the businessman Steve Wynn said that Scotland Yard denied Mr. Wynn a license to open a casino in London in the 1980's because of his alleged links to the Mafia. In*

> *fact, Mr. Wynn was not denied a license by Scotland Yard nor did Mr. Wynn have links to the Mafia . . . finally we are happy to clarify that Mr. Wynn did not almost lose his gambling licenses in Atlantic City in the 1980's after a mobster was discovered laundering the profits of drug trafficking at his casino tables. The relevant authority concluded that Mr. Wynn's good character and integrity was not impugned in any way. We apologize for any distress the article may have caused him.*

In 1986, Steve Wynn sold his Atlantic City casino and left New Jersey. Steve Wynn reported to the IEB investigators that his reason for leaving was that he had lost confidence in the New Jersey political environment at that time. Bally was the purchaser of the casino and Steve Wynn's company received a substantial profit as a result of the transaction.

During this time, Steve Wynn had continued to own and operate the Golden Nugget in Las Vegas. He expanded the property in 1984 and 1986. In 1988 Golden Nugget also purchased Del Webb's Nevada Club in Laughlin, Nevada and a related motel in Bullhead City, Arizona. In 1987, Steve Wynn began construction on property on the Las Vegas Strip that would become the Mirage. The Mirage opened in 1989. The name of the company changed in 1991 from Golden Nugget to Mirage Resorts. Then began a stretch within which Steve Wynn built a new casino approximately every four or so years. After opening the Mirage Hotel in 1989, Treasure Island followed in 1994, then Bellagio in 1998 and, finally the Beau Rivage in Biloxi, Mississippi in 1999.

In 2000, Steve Wynn sold Mirage Resorts to MGM. Prior to the sale, despite the outstanding success of the company, some of the Mirage investors expressed dissatisfaction with Steve Wynn's policies regarding corporate expenditures. For example, there was opposition to Steve Wynn's multi-million dollar spending on art for the facility. So, Steve Wynn departed from that company and formed his present company, **Wynn Resorts**. He opened the Wynn Las Vegas in 2005 and The Encore in 2008. Steve Wynn opened the Wynn Macau in 2006 and Encore at Wynn Macau in 2010.

Steve Wynn reported, and this investigation confirmed, that he held, currently holds and/or was an applicant for a finding of suitability with the following gaming regulatory agencies. No derogatory information was reported in any of the below gaming jurisdictions:

JURISDICTION/AGENCY	STATUS
Nevada Gaming Control Board	Licensed 4/28/05 as Chairman of the Board and CEO of Wynn Resorts, Limited
City of Las Vegas	Provided documents indicating Wynn applied for licensure in 1973 in connection with Golden Nugget. No other information available.
Clark County, Nevada Liquor and Gaming License Board	Agency Website reports that Wynn was licensed as a Secondhand Dealer Class II on May 6, 1998.
New Jersey Casino Control Commission	Previously approved as a qualifier for Golden Nugget.
Mississippi Gaming Commission	Found suitable on July 16, 1998. No longer active.
Illinois Gaming Board	Applied for suitability but before investigation was complete, the license was issued to another applicant.
Louisiana Gaming Board	No record. No project was completed.
Gaming Commission of Macau (Comissao De Jogo De Macau)	Approved with initial Casino concession
Pennsylvania Gaming Control Board	Investigation not completed. Application was withdrawn.
Provincial Institute of Lotteries and Casinos of Province of Misiones; Misiones. Argentina, July 1994 through February 1996	As 50% owner of Casino Iguacu through an Argentine subsidiary – HCI, S.A. This investment has since been terminated.
Gaming Board for Great Britain	No records available. See discussion of application in the narrative section above

Steve Wynn also reported that he held a Bingo license in Anne Arundel County, Maryland Inspections & Permits from 1963 until 1984 in connection with the Wayson's Bingo business. This jurisdiction did not respond to this investigation's inquiries with respect to verification of this information but there is no reason to dispute it.

The investigation spoke with a number of Steve Wynn's references. They described him as being a perfectionist who is passionate about everything he does. His casinos were described as first rate in every sense of the word, particularly in his energy for design. Steve Wynn was noted for his variety of interests and his expertise in those outside activities, including the collection of fine art and wine. He is well known for his charitable works in areas such as Alzheimer's disease and vision disease research. His references described him as highly ethical.

[redacted] The investigation thoroughly evaluated Steve Wynn's submissions, inclusive of his financial materials, tax returns and records, as well as his general financial

history, and can report no adverse findings or information that would indicate that Steve Wynn does not possess the requisite financial integrity and stability to be found suitable to participate in the proposed project.

The investigation reviewed and evaluated Steve Wynn's submitted materials, data base and, where necessary, confirmatory agency records relating to his license holdings. This review disclosed no material findings adverse to Steve Wynn's suitability.

[redacted]

All civil litigation matters involving Steve Wynn have been fully disclosed and clarified and materials regarding such actions are retained in the records of the IEB. All of the litigation matters identified and reviewed were determined to be in the normal course of business operations and not adverse to this qualifier's suitability. Steve Wynn's personal civil litigation has been examined and evaluated. In particular, reference is made to the Okada litigation described elsewhere in this Report. After review, no lawsuits were deemed material or adverse to Steve Wynn's suitability.

The investigation also confirmed that Steve Wynn has not made any prohibited political contributions in Massachusetts that violate M.G.L. c.23K Section 46 or CMR Section 108.

The investigation confirmed that Steve Wynn has a credible history of managing a successful business and has demonstrated a history of regulatory compliance. The records examined, the interviews conducted, his successful multi-jurisdictional licensing or qualification, his history of maintaining such status in good standing as confirmed by the IEB's regulatory agency verifications, and his financial records and responsibility, all illustrate that Steve Wynn has demonstrated the qualities necessary for suitability to participate as a qualifier in the proposed Everett project.

Based upon the comprehensive investigation of Stephen Wynn, the investigation did not reveal any information that would preclude a finding that he possesses the requisite integrity, honesty and good character that are statutorily mandated by M.G.L. c.23K §12(a)(1). Further, the review of all submitted materials, independent investigation, comprehensive data base searches, personal interviews and past business practices indicate that he has demonstrated sufficient business ability to take part in the operation of a successful gaming establishment as mandated by M.G.L. c.23K §12(a)(3), as well as a general history of compliance with applicable gaming regulations as required by M.G.L. c.23K §12(a)(4).

2. MATTHEW O. MADDOX

Matthew Ode Maddox ("Maddox), [redacted], is a United States citizen and currently resides in [redacted]. Maddox is the President, Chief Financial Officer and Treasurer for **Wynn Resorts, Limited** ("**Wynn Resorts**"), the parent company of **Wynn MA, LLC** ("**Wynn MA**"), the applicant herein for a Category 1 gaming license. Maddox is also the President and Treasurer of **Wynn MA**. In light of Maddox's position with **Wynn Resorts** and **Wynn MA**, Maddox has been deemed a qualifier for purposes of this application.

Maddox reported, and this investigation confirmed, that he attended Southern Methodist University in Dallas, Texas from 1994 until 1998 where he received a Bachelor's Degree in Finance on August 7, 1998.

Upon graduating college, Maddox accepted a position with Bank of America located in Charlotte, NC where he worked in the Mergers and Acquisitions department from June 1998 until January 2001. He then became employed with Park Place Entertainment in Las Vegas, Nevada as the Director of Finance and held that position from February 2000 until December 2000. In January 2001 he was promoted to Executive Director of Finance and remained in that position until June 2001. In July 2001, Maddox was then again promoted within the Park Place Entertainment organization to Vice President of Finance where he remained until March 2002.

After leaving the employ of Park Place Entertainment, Maddox accepted employment with **Wynn Resorts** in April 2002 as Vice President of Investor Relations and Treasurer. In March 2003, Maddox relocated to Macau, China where he was responsible for the development

phase of the Wynn property in Macau. During that time, from March 2003 until September 2005, he was employed as the Chief Financial Officer for Wynn Resorts Macau located in Rua Cidade De Sintra, Nape Macau, China. He then returned in October 2005 and was promoted to Senior Vice President of Business Development and Treasurer for **Wynn Resorts** and held that position until March 2008. In March 2008, Maddox was promoted yet again to Chief Financial Officer and Treasurer of **Wynn Resorts**, in which position he has remained since March 2008.

In connection with the June 1, 2013 retirement of Marc Schorr ("Schorr"), former Chief Operating Officer for **Wynn Resorts**, Maddox was elevated to and took on the additional responsibilities of President of **Wynn Resorts**, effective November 5, 2013. Also in connection with Schorr's departure, Maddox was promoted to President of **Wynn MA** on April 24, 2013. Maddox also currently serves as an officer of several of the **Wynn Resorts**' subsidiaries.

Maddox has been described by his references as having a Type A personality with a tremendous work ethic. One of his references indicated that he earned his position within the Wynn organization with much hard work and dedication. In 2008, Maddox was listed in Fortune magazine as the highest-paid executive under age 40 in the country. He is considered by his references to be very intelligent with an even keeled personality, unquestionable integrity and honesty.

[redacted] The investigation thoroughly evaluated Maddox's submissions, inclusive of his financial materials and tax returns and records, as well as his general financial history, and can report no adverse findings or information that would indicate that Maddox does not possess the requisite financial integrity, responsibility and financial stability to be found suitable to participate in the proposed project.

Maddox reported, and this investigation confirmed, that he held, currently holds and/or was an applicant for a finding of suitability with the following gaming regulatory agencies. No derogatory information was reported in any of the below gaming jurisdictions.

JURISDICTION/AGENCY	STATUS
Nevada Gaming Control Board – App 05/2008	01/21/2010 licensed as Wynn Resorts, Limited Treasurer & CFO. No areas of concern. Active.
Gaming Commission of Macau	11/17/2009 PHD submitted to DICJ. (Per WR

(Comissao De Jogo De Macau) Macau China App 11/2009	records). No objection by DICJ.
Pennsylvania Gaming Control Board 11/2012	No longer pending. Wynn Resorts withdrew application.

The investigation reviewed Maddox's submitted materials, data base and where necessary, confirmatory agency records relating to Maddox. This review disclosed no material findings adverse to Maddox's suitability.

[redacted]

It is to be noted that the investigation did review and question Maddox with respect to the following two offenses which are not deemed material with respect to a finding of suitability. [redacted]

[24] NV Statute 484.377 Misdemeanor

All civil litigation matters involving Maddox have been fully disclosed and clarified during Maddox's sworn interview and materials regarding such actions are retained in the records of the IEB. Other than two Shareholders derivative action concerning **Wynn Resorts** in which Maddox has been personally named and were not deemed material or adverse to Maddox's suitability, Maddox has not been personally named and/or involved in any civil litigation.

The investigation also confirmed Maddox has not made any prohibited political contributions in Massachusetts that violate M.G.L. c.23K 46 or 205 CMR 108.

The investigation confirmed that Maddox has a credible history of managing the finances of successful gaming businesses and has demonstrated a history of regulatory compliance. The records examined, the interviews conducted, his successful multi-jurisdictional licensing or qualification and his history of maintaining such status in good standing as confirmed by the regulatory agencies contacted, as well as the examination of his financial records, all illustrate that Maddox has demonstrated the qualities necessary for suitability to participate as a qualifier in the proposed project.

Based upon the comprehensive investigation of Matthew Maddox, the investigation did not reveal any information that would preclude a finding that he possesses the requisite integrity, honesty and good character that are statutorily mandated by M.G.L. c.23K §12(a)(1). Further, the review of all submitted materials, independent investigation, comprehensive data base searches, personal interviews and past business practices indicate that he has demonstrated sufficient business ability to take part in the operation of a successful gaming establishment as mandated by M.G.L. c.23K §12(a)(3), as well as a general history of compliance with applicable gaming regulations as required by M.G.L. c.23K §12(a)(4).

3. KIMMARIE SINATRA

Kimmarie Sinatra ("Sinatra"), [redacted], is a United States citizen and currently resides in [redacted]. Sinatra is employed as the Senior Vice President and General Counsel of **Wynn Resorts, Limited** ("**Wynn Resorts**"), the parent company of **Wynn MA, LLC**, the applicant

herein for a Category 1 gaming license. In light of Sinatra's position with **Wynn Resorts**, Sinatra has been deemed a qualifier for purposes of this application.

Sinatra reported, and this investigation confirmed, that Sinatra attended Wellesley College in Massachusetts from 1978 until 1982 where she received a Bachelor of Arts degree in Economics in 1982. She then attended the University of Chicago Law School from 1982 until 1985 and received a Juris Doctor degree in 1985. Sinatra also reported, and this investigation confirmed, that she is currently licensed to practice law in the State of Nevada, having been admitted to the Nevada Bar on September 25, 2003, and in the State of New York, having been admitted to the New York Bar in 1988. Sinatra was also admitted to the Florida State Bar in October 1985. However, Sinatra reported, and this investigation confirmed, that she is an inactive member of the Florida State Bar at this time.

Sinatra began her legal career in the gaming field as an associate at the law firm of Gibson, Dunn and Crutcher in 1987. One of the first gaming-related transactions on which she worked involved Merv Griffin's purchase of Resorts International Hotel & Casino in Atlantic City in 1988. Thereafter, as a member of the firm, she represented Merv Griffin in several commercial real estate matters, which led to her eventually also working as legal counsel for The Griffin Group, Merv Griffin's investment management company. Sinatra indicated that from approximately 1987 through 2001, she represented Merv Griffin's business interests off and on. In this regard, she worked for The Griffin Group as Vice President & General Counsel from January 1994 until April 1996 and again from March 1998 until April 2001 as Senior Vice President & General Counsel. During the span of time in which she was not working for The Griffin Group, from April 1996 until April 1998, Sinatra was a partner at the law firm of Gibson, Dunn and Crutcher.

Sinatra was then asked by Tom Gallagher ("Gallagher") whom she had worked with at The Griffin Group and Gibson, Dunn and Crutcher, to come to Las Vegas and work for Park Place Entertainment Corporation ("Park Place"). At that time Gallagher had become Chief Executive Officer of Park Place, which was then operating several casinos, including the Hilton, Bally, and Grand casino properties located in various gaming jurisdictions. Because she did not wish to move from New Jersey to Las Vegas at that time, Sinatra agreed to perform legal

consulting services for Park Place Entertainment Corporation, which she did from May 2001 until February 2002. She then made the decision to move to Las Vegas and accepted the position of Executive Vice President & Chief Legal Officer for Park Place Entertainment Corporation. Sinatra held this position from February 2002 until January 2003, at which time she resigned based upon her understanding that management wished her to resign. Sinatra explained that a new Chief Executive Officer was hired in place of Gallagher and it became clear to Sinatra that the new Chief Executive Officer did not wish her to remain as General Counsel and wished instead to elevate another in house attorney to the Chief Legal Officer position.

After having separated from Park Place, Sinatra made a written inquiry to Steve Wynn with respect to his need for gaming counsel in connection with his then recent purchase of the Desert Inn. This was after Steve Wynn had sold the Mirage Corporation to MGM. This inquiry resulted in Sinatra being retained as a legal consultant for **Wynn Resorts** in the summer of 2003 and eventually being hired as the Senior Vice President in January 2004. Sinatra has served as Senior Vice President & General Counsel of **Wynn Resorts** since 2006 and also serves as an officer of several of the **Wynn Resort**s' subsidiaries.

Sinatra also currently serves as a member of the following boards:

- The Smith Center for the Arts
- Legal Aid Center of Southern Nevada, Inc.
- The National Judicial College.

Sinatra has been described by her references as being an incredibly smart and loyal person. Sinatra's references further characterize her as being a great friend who is generous, thoughtful and kind. Her references commented on Sinatra's continued involvement in supporting and mentoring law students at her alma mater, the University of Chicago Law School.

[redacted] The investigation thoroughly evaluated Sinatra's submissions, inclusive of her financial materials, tax returns and records, as well as her general financial history, and can report no adverse findings or information that would indicate Sinatra does not possess the requisite financial integrity, responsibility and stability to be found suitable to participate in the proposed project.

Sinatra reported, and this investigation confirmed, that she held, currently holds and/or was an applicant for a finding of suitability with the following gaming regulatory agencies. No derogatory information was reported in any of the below gaming jurisdictions.

JURISDICTION/AGENCY	STATUS
Nevada Gaming Control Board – App 06/2006 Found Suitable / Approved 02/21/08	02/21/2008 licensed as Wynn Resorts, Limited Sr. VP, Secretary & General Counsel. No areas of concern. Active.
Mississippi Gaming Commission	On 12/12/02 found suitable as Executive Vice President & Chief Legal Officer for Park Place Entertainment
New Jersey Casino Control Commission – App 06/2001. Approved 01/16/2002	Previously a qualifier of Park Place Entertainment and Resorts Atlantic City.
Pennsylvania Gaming Control Board – App 11/20/12	No longer pending. Wynn Resorts withdrew application.

The investigation reviewed and evaluated Sinatra's submitted materials, data base and, where necessary, confirmatory agency records relating to these license holdings. This review disclosed no material findings adverse to Sinatra's suitability. It is to be noted that in connection with her application to the New Jersey Casino Control Commission, the New Jersey Division of Gaming Enforcement ("NJDGE") uncovered discrepancies in the dates surrounding [redacted] During this investigation, Sinatra satisfactorily explained the circumstances surrounding this matter and the subsequent actions she took to remedy the situation.

[redacted]

[redacted]

All civil litigation matters involving Sinatra have been fully disclosed and clarified during Sinatra's sworn interview and materials regarding such actions are retained in the records of the IEB. Two personal civil litigations involving Sinatra were identified and, after review, were not deemed material or adverse to Sinatra's suitability.

The investigation also confirmed that Sinatra has not made any prohibited political contributions in Massachusetts that violate M.G.L. c.23K 46 or CMR 108.

The investigation confirmed that Sinatra has a credible history of successfully providing legal representation in connection with the management of casino companies and has demonstrated a history of regulatory compliance. The records examined, the interviews conducted, her history of successfully maintaining her multi-jurisdictional licensing or qualification in good standing as confirmed by the regulatory agencies contacted, as well as the examination of her financial records, all illustrate that Sinatra has demonstrated the qualities necessary for suitability to participate as a qualifier in the proposed project.

Based upon the comprehensive investigation of Kimmarie Sinatra, the investigation did not reveal any information that would preclude a finding that she possesses the requisite integrity, honesty and good character that are statutorily mandated by M.G.L. c.23K §12(a)(1). Further, the review of all submitted materials, independent investigation, comprehensive data base searches, personal interviews and past business practices indicate that she has demonstrated sufficient business ability to take part in the operation of a successful gaming establishment as mandated by M.G.L. c.23K §12(a)(3), as well as a general history of compliance with applicable gaming regulations as required by M.G.L. c.23K §12(a)(4).

4. JOHN STRZEMP

John V. Strzemp ("Strzemp") [redacted], is a United States citizen and currently resides in [redacted]. Strzemp is the Executive Vice President and Chief Administrative Officer of **Wynn Resorts, Limited** ("**Wynn Resorts**"), the parent company of **Wynn MA, LLC**, the

applicant herein for a Category 1 gaming license. Strzemp anticipates that he will assist in the opening and provide oversight with respect to the applicant's proposed casino project in Massachusetts. In light of Strzemp's position with **Wynn Resorts**, Strzemp has been deemed a qualifier for purposes of this application.

Strzemp reported, and this investigation confirmed, that Strzemp attended the University of Illinois from 1969 until 1973 and was awarded a Bachelor of Science degree in Accounting on December 10, 1973. This investigation also confirmed that Strzemp obtained a Certified Public Accounting License in the State of Illinois in October 1979, which expired in May 1982. Strzemp acknowledged during his interview that this license is no longer active.

Strzemp has been involved in the gaming industry for much of his career and most of his employment has been with Steve Wynn's properties. From April 1989 until November 1992, Strzemp was Vice President of Administration and Finance/Chief Financial Officer for the Las Vegas Golden Nugget. Thereafter, he accepted a position with Treasure Island as Vice President and Chief Financial Officer and held that position until January 1997. Strzemp was then promoted to President of Treasure Island and was responsible for the oversight of all operations at that property. Strzemp then accepted employment with the Bellagio where, from April 1998 until October 2000, he was employed as Vice President and Chief Financial Officer. Strzemp then left the Bellagio and joined Steve Wynn's newly formed company, **Wynn Resorts**, where he has held the positions of Executive Vice President, Chief Financial Officer & Treasurer from November 2000 until June 2004; Executive Vice President & Chief Financial Officer from June 2004 until March 2008; and his present position of Executive Vice President and Chief Administrative Officer since March 2008. Strzemp also serves as Executive Vice President and Chief Financial Officer for Wynn Las Vegas, LLC.

With respect to his current position as Executive Vice President and Chief Administrative Officer for **Wynn Resorts**, during his interview, Strzemp explained that he was promoted to this position, which, at that time, was a new position within the company. Specifically, Strzemp's responsibilities include oversight of the IT Department, insurance and operations. The Chief Financial Officers of both Wynn Las Vegas and Wynn Macau report directly to Strzemp. In his capacity as the Executive Vice President and Chief Administrative Officer, Strzemp also

oversees the sports book and poker rooms. He serves as Chairman of the Financial Disclosure committee, is a member of the Compliance Committee and functions as the executive liaison between the Audit Committee and management. Strzemp also indicated that he is a member of the Wynn Report's Sarbanes Oxley Committee.

Strzemp also reported that he was a member of management teams headed by the late Dennis Gomes which managed the Aladdin Hotel & Casino, as well as the Dunes. Strzemp reported that, in 1987, Gingji Yasuda, the then owner of the Aladdin, placed the entire management team on a three month administrative leave because he was not satisfied with the manner in which the property was being run. After the three months, however, Gomes and his management team chose not to return to the Aladdin, but instead began management of the Dunes. This investigation did not uncover any derogatory information with respect to Strzemp in connection with this matter.

During his interview Strzemp advised that he is an amateur poker player and continues to compete in poker tournaments. Strzemp indicated that he placed second in the World Series of Poker in 1997.

[redacted] The investigation thoroughly evaluated submissions, inclusive of his financial materials and tax returns and records, as well as his general financial history, and can report no adverse findings or information that would indicate that Strzemp does not possess the requisite financial integrity, responsibility, and financial stability to be found suitable to participate in the proposed project. The financial analysis is reported in an attached financial report for this qualifier.

Strzemp holds and/or has held gaming licenses, registrations and/or findings of suitability in Nevada as set forth below. This investigation verified that his current licenses with the Nevada Gaming Control Board are in good standing. No derogatory information was reported by the Nevada regulators.

JURISDICTION/AGENCY	STATUS
Nevada Gaming Control Board/Nevada Gaming Commission (NGB)	Confirmed 04/28/2005 to present with Wynn Resorts, Limited as Treasurer, CFO and Executive VP and CAO. Investigation completed 03/2005 found no negative findings. Active Key Employee June 2000

NGB	05/1998 Granted Bellagio Key Employee
NGB	11/1992 Granted Treasure Island Key Employee.
NGB	06/1989 Granted Golden Nugget Key Employee

Strzemp also reported that in connection with **Wynn Resorts**' application to the Pennsylvania Gaming Control Board, in November 2012, he submitted an application for a finding of suitability. However, in light of **Wynn Resorts**' withdrawal from Pennsylvania, this application is no longer pending review by the Pennsylvania Gaming Control Board.

The investigation reviewed and evaluated Strzemp's submitted materials, data base searches and, where necessary, verified agency records relating to Strzemp. This review disclosed no material findings adverse to Strzemp's suitability.

[redacted]

All civil litigation matters involving Strzemp have been fully disclosed and clarified during Strzemp's interview and materials regarding such actions are retained in the records of the IEB. Strzemp's personal civil litigation has been examined and evaluated and, after review, were not deemed material or adverse to his suitability.

The investigation also confirmed that Strzemp has not made any prohibited political contributions in Massachusetts that violate M.G.L. c.23K 46 or 205 CMR 108.

Strzemp has provided, as references, the names of three individuals, all of whom were contacted and queried regarding the character and integrity of Strzemp. All three references indicated that Strzemp was of the highest character and integrity. No derogatory information was developed which would preclude Strzemp from being licensed by the Massachusetts Gaming Commission.

The investigation confirmed that Strzemp has a credible history of managing successful businesses and has demonstrated a history of regulatory compliance. The records examined, the

interviews conducted, his successful jurisdictional licensing or qualification and his history of maintaining such status in good standing as confirmed by the regulatory agencies contacted, as well as the examination of his financial records and adherence to financial reporting requirements, all illustrate that Strzemp has demonstrated the qualities necessary for suitability to participate as a qualifier in the proposed project.

Based upon the comprehensive investigation of John Strzemp, the investigation did not reveal any information that would preclude a finding that he possesses the requisite integrity, honesty and good character that are statutorily mandated by M.G.L. c.23K §12(a)(1). Further, the review of all submitted materials, independent investigation, comprehensive data base searches, personal interviews and past business practices indicate that he has demonstrated sufficient business ability to take part in the operation of a successful gaming establishment as mandated by M.G.L. c.23K §12(a)(3), as well as a general history of compliance with applicable gaming regulations as required by M.G.L. c.23K §12(a)(4).

5. ALVIN V. SHOEMAKER

Alvin Varner Shoemaker ("Shoemaker"), [redacted], is a United States citizen and currently resides in [redacted] Shoemaker is a Director for **Wynn Resorts, Limited** ("**Wynn Resorts**"), the parent company of **Wynn MA, LLC,** the applicant herein for a Category 1 gaming license**.**

Shoemaker reported, and this investigation confirmed, that Shoemaker attended the Wharton School at the University of Pennsylvania and received a Bachelor Degree in Economics on June 15, 1960. Shoemaker thereafter attended the University of Michigan Law School, where this investigation confirmed he obtained a Law Degree in 1963. Shoemaker reported that he was licensed to practice law in both Pennsylvania and Washington, DC. However, Shoemaker reported, and this investigation confirmed, that currently these licenses are no longer active.

Shoemaker stated during his sworn interview that after graduating law school, he worked for the Office of the Comptroller of Currency within the United States Department of Treasury and thereafter worked for the Investment Bankers Association for a period of time. Then, in 1969, he became employed with First Boston Corporation where he handled public financing

matters. Thereafter, in 1978, Shoemaker reported that he left First Boston Corporation to become the Chief Executive Officer of Blyth, Eastman & Dillon, an investment banking firm. He thereafter returned to First Boston to lead the firm's investment banking division and eventually became that firm's Chairman of the Board. He served as Chairman of the Board for First Boston from 1983 until First Boston merged with Credit Suisse in 1989, at which point he retired. He reported that for some time thereafter he shared an office with Bill Simon, the former secretary of the treasury, and the two of them worked on some investments together.

In addition to his current position on the Board of Directors for **Wynn Resorts**, Shoemaker presently serves on several other boards. Since 2008, he has served as Chairman of the Board of Trustees for Eisenhower Medical Center located in Rancho Mirage, CA. Shoemaker also presently serves on the Board of Trustees for the University of Pennsylvania having served on that Board since 1984, and as Chairman of the Board from 1986 until 1994. Additionally, in 2005, he began sitting on the Board of Directors for Huntsman Corporation, a publicly traded global manufacturer and marketer of differentiated chemicals, located in Salt Lake City, UT. The Huntsman Corporation was founded by the father of Jon M. Huntsman, Jr., former Governor of Utah from 2005 to 2009 and a former candidate for the 2012 Republican presidential nomination.

In 2004, Shoemaker began serving as a member of the Board of Trustees for Western Community Bancshares, Inc. located in Palm Desert, California. Shoemaker reported that Western Community Bancshares was founded by Jim Montgomery ("Montgomery"), now deceased, whom Shoemaker had known from his days at First Boston. Shoemaker explained that he invested some money into this banking venture, which performed quite well up until the financial crisis hit in 2008. Shoemaker further explained that, currently, this bank has been operating under a Memorandum of Understanding with the Comptroller's Office due to lack of sufficient funds. He explained that Montgomery was removed from the company by the Office of Thrift Supervision because he was found to have engaged in unsafe and unsound banking practices. The remaining Board members have since been operating the bank and working with the regulators to wind down the operation by selling off its debt securities. There is no indication

that Shoemaker or any other Board member was found to be responsible in connection with the actions of Montgomery in this matter.

Shoemaker has served as a Director on the Board of Directors for **Wynn Resorts** since 2002. Shoemaker also serves on both the Audit and Compensation committees for **Wynn Resorts** and did serve as Chairman of the Audit Committee for five years. With respect to how Shoemaker became involved with the Wynn Board, he stated during his sworn interview that he had known Steve Wynn because they both owned homes in Sun Valley, ID and both were avid skiers. He recalled that someone introduced him to Steve Wynn and they discovered that each had attended the University of Pennsylvania. When Steve Wynn was a still a principal for Mirage, he had asked Shoemaker to serve on the Mirage Board of Directors. However, at that time, Shoemaker declined and indicated to Steve Wynn that, in his personal view, investment bankers should not sit on gaming company Boards. Shoemaker indicated that they remained friends and when Steve Wynn decided to take **Wynn Resorts** public, he again inquired into whether Shoemaker would be interested in sitting on the Board.

During his sworn interview, Shoemaker stated that he was reluctant to serve on the **Wynn Resorts** Board because he felt that he really did not know the casino gaming business. However, he jokingly stated that his wife, daughters-in-law and his own daughter talked him into it, stating that he should sit on a “fun” Board. Shoemaker, therefore, made the decision to join the Wynn Board and, in fact, he stated during his sworn interview that it's been "the most fun Board I've ever been on" and has been a good experience overall. In fact, during his sworn interview, Shoemaker was questioned about his experiences serving on the Wynn Board as well with the Audit Committee. He commented that, it is his opinion, the internal controls in place at **Wynn Resorts** are actually more stringent than the controls he had been accustomed to having served on investment company boards.

Shoemaker disclosed, and the investigation confirmed, that he is a highly successful businessman with a ranch in Idaho and homes in Indian Wells, California and Hailey, ID. With respect to businesses in which he owns over five percent, Shoemaker owns [redacted] in Shoemaker Family Partners, LP, which was set up as an investment vehicle for the

purpose of holding certain private equity and common stock for the benefit of the family members.

[redacted]

[redacted] The investigation thoroughly evaluated Shoemaker's submissions, inclusive of his financial materials, tax returns and records, as well as his general financial history, and can report no adverse findings or information that would indicate that Shoemaker does not possess the requisite financial integrity, responsibility and financial stability to be found suitable to participate in the proposed project.

Shoemaker did not disclose, and our investigation did not reveal, any gaming licenses being held by him. However, Shoemaker did report, and the investigation confirmed, that, other than the submission of the within application for suitability with the MGC, Shoemaker has also filed an application and is being investigated by the Pennsylvania Gaming Control Board in connection with **Wynn Resort**'s current application for a casino license in Pennsylvania.

The investigation reviewed and evaluated Shoemaker's submitted materials, data base and, where necessary, confirmatory agency records relating to Shoemaker. This review disclosed no material findings adverse to Shoemaker's suitability.

[redacted]

All civil litigation matters involving Shoemaker have been fully disclosed and clarified during Shoemaker's sworn interview and materials regarding such actions are retained in the records of the IEB. All of the litigation matters identified and reviewed were determined to be in the normal course of business operations and not adverse to this qualifier's suitability.

The investigation also confirmed that Shoemaker has not made any prohibited political contributions in Massachusetts that violate M.G.L. c.23K 46 or 205 CMR 108.

Shoemaker has provided, as references, the names of three individuals. Each individual has been contacted regarding Shoemaker. The investigation has revealed that Shoemaker is considered by each reference to be a person of the highest character and integrity. None of the references provided any information which would be adverse to Shoemaker's suitability.

The investigation confirmed that Shoemaker has a credible history of managing successful business investments, responsibly serving in a fiduciary capacity in connection with his several Board memberships, and has demonstrated a history of regulatory compliance. The records examined, the interviews conducted, and his history of maintaining his status in good standing as confirmed by our review of his financial records and adherence to various state requirements, all illustrate that Shoemaker has demonstrated the qualities necessary for suitability to participate as a qualifier in the proposed project.

Based upon the comprehensive investigation of Alvin Shoemaker, the investigation did not reveal any information that would preclude a finding that he possesses the requisite integrity, honesty and good character that are statutorily mandated by M.G.L. c.23K §12(a)(1). Further, the review of all submitted materials, independent investigation, comprehensive data base searches, personal interviews and past business practices indicate that he has demonstrated sufficient business ability to take part in the operation of a successful gaming establishment as mandated by M.G.L. c.23K §12(a)(3), as well as a general history of compliance with applicable gaming regulations as required by M.G.L. c.23K §12(a)(4).

6. D. BOONE WAYSON

Daniel Boone Wayson ("Wayson"), [redacted], is a United States citizen and currently resides in [redacted]. Wayson is a Director for **Wynn Resorts, Limited** ("**Wynn Resorts**"), the parent company of **Wynn MA, LLC**, the applicant herein for a Category 1 gaming license.

Wayson reported, and this investigation confirmed, that Wayson attended the University of North Carolina at Charlotte and was awarded a Bachelor of Arts Degree in History in May 1974. Wayson also reported, and this investigation confirmed, that he attended Prince Georges Community College in Maryland where he obtained a Real Estate Certification in July 1974.

However, Wayson stated during his sworn interview that he never actually practiced as a real estate sales person or broker.

Wayson has been involved with various gaming properties owned by Wynn practically all of his life. During the 1960s he worked at his family's business, Wayson's Bingo, located in Lothian, MD. Steve Wynn's father eventually became a partner in the bingo business with Wayson's father. When Steve Wynn's father died suddenly, Steve Wynn stepped into the bingo business and began running it on the weekends while he was still attending college. Wayson worked in the bingo business during his high school years and then after graduating from college, Steve Wynn offered him a position with the Golden Nugget in Las Vegas where Wayson was eventually elevated to Casino Cage and Credit Manager. Wayson worked at the Las Vegas Golden Nugget as Casino Cage and Credit Manager from September 1974 until May 1975, at which time Steve Wynn asked him to return to Maryland and manage its Bingo. From May 1975 until February 1977, Wayson served as Assistant General Manager of Wayson's Bingo. During that time, Wayson indicated that he also became involved in some real estate businesses in Southern Maryland.

Thereafter, when Steve Wynn broke ground for the Golden Nugget in Atlantic City, Steve Wynn asked Wayson to come to Atlantic City to assist him with the opening. While Wayson indicated it was his initial intent to stay only for a year, he ended up staying at the Atlantic City Golden Nugget from March 1980 until March 1987. Wayson stated during his sworn interview that he held various managerial positions and eventually became the President and Chief Executive Officer for this property. After Steve Wynn sold the Atlantic City Golden Nugget in 1987, Wayson returned to Maryland.

Wayson stated during his sworn interview that, since 1987, he has been involved in several types of businesses, including the bar and restaurant business, as well as race horse breeding. Wayson has also been involved in various real estate investments. Particularly, he maintains an ownership interest in several real estate holding and development companies; namely, Wilkinson Lakewood, LLC, Deckman, LLC, 3W, LLC and Boone's Mobile Estates, Inc.

When Steve Wynn formed Mirage Resorts, Wayson was again contacted by Steve Wynn and asked to serve as a Director on the Board of Steve Wynn's new casino company. Wayson accepted and remained as a member of Mirage Resort's Board of Directors until Steve Wynn sold the Mirage to MGM in 2000. At MGM's request, Wayson remained on the Board of the new company, MGM Mirage. Thereafter, in 2003, in connection with the formation of **Wynn Resorts**, Steve Wynn again contacted Wayson to serve as a Director for **Wynn Resorts**. In his capacity as a Director for **Wynn Resorts**, Wayson has continuously served as a member of the Audit Committee having served as Chairman of the Audit Committee for the last four years.

[redacted]

The investigation thoroughly evaluated Wayson's submissions inclusive of his financial materials and tax returns and records, as well as his general financial history, and can report no adverse findings or information that would indicate that Wayson does not possess the requisite financial integrity, responsibility, and financial stability to be found suitable to participate in the proposed project. The financial analysis is reported in an attached financial report for this qualifier.

Wayson reported and this investigation confirmed that he held, currently holds and/or was an applicant for gaming licenses and/or a finding of suitability with the following gaming regulatory agencies. No derogatory information was reported in any of the below gaming jurisdictions.

JURISDICTION/AGENCY	STATUS
Isle of Man Gaming Commissioners Homefield 88 Woodbourne Road, Douglas, Isle of Man 1M2 3AP Applied for Gaming License June 2001 and withdrawn	Applied for licensure September 2001 as Director of applicant company. Online Gaming Regulations Act (OGRA) License was issued. License surrendered by license holder June 2003. No derogatory information.
Mississippi Gaming Commission – App 1996	07/16/1998 found suitable. Not active. No disciplinary action.
Michigan Gaming Control Board – App 09/2000	Qualifier in connection with MGM Grand Detroit. 11/13/2001 found suitable. Inactive.
New Jersey Casino Control Commission – App 1994	Key employee license #1050-11 from 12/08/1980 thru 12/31/0985. Previous qualifier for Mirage Resorts Inc.
Pennsylvania Gaming Control Board – App filed 2012	No longer pending. Wynn Resorts withdrew application.

Wayson also reported that he held or currently holds the following Bingo and Horse Racing Owner licenses in the following jurisdictions. These jurisdictions, however, could not confirm this information, due to the time elapsed since the issuance of these licenses, or did not respond to this investigation's inquiries.

Anne Arundel County (MD) Inspections & Permits Bingo Owners Licenses 1980 - Present
Maryland – Horse Racing Owner 1975-1995
Pennsylvania – Horse Racing Owner 1975-1995
Delaware – Horse Racing Owner 1975-1995
New Jersey – Horse Racing Owner 1975-1995

The investigation reviewed and evaluated Wayson's submitted materials, data base and, where necessary, confirmatory agency records relating to Wayson. This review disclosed no material findings adverse to Wayson's suitability.

There is some negative media attention surrounding Wayson having been subpoenaed to testify before a federal grand jury in connection with his knowledge of the casino activities of certain individuals who gambled at the Atlantic City Golden Nugget in 1986 and 1992. In fact, Wayson disclosed, and was questioned during his sworn interview, concerning the testimony he provided in May 1986 in the New Jersey District County Federal Court concerning Anthony Castelbuono, a/k/a Tony Cakes, who was, at that time, the subject of a federal investigation into drug trafficking and money laundering. Wayson also disclosed, and was questioned during his sworn interview, concerning testimony he provided in December 1992 in the United States Western District, Western District Kentucky Court concerning Billy Walters, also the subject of a federal investigation concerning money laundering. It is to be emphasized, however, that this investigation confirmed that Wayson was not targeted in any of these investigations. Neither his personal conduct nor his character was ever at issue in any of these investigations and proceedings. Rather, it was solely due to his position with the Atlantic City Golden Nugget that he was questioned about his knowledge concerning the casino activities of these particular individuals.

[redacted]

[redacted]

All civil litigation matters involving Wayson have been fully disclosed and clarified during Wayson's sworn interview and materials regarding such actions are retained in the records of the IEB. All of the litigation matters identified and reviewed were determined to be in the normal course of business operations and not adverse to this qualifier's suitability.

The investigation also confirmed that Wayson has not made any prohibited political contributions in Massachusetts that violate M.G.L. c.23K 46 or 205 CMR 108.

Wayson has provided, as references, the names of three individuals, all of whom have known him personally. The above-named references were contacted and queried regarding the character and integrity of Wayson. All three references indicated that Wayson was of the highest character and integrity. No derogatory information was developed which would preclude Wayson from being licensed by the Massachusetts Gaming Commission.

The investigation confirmed that Wayson has a credible history of successfully managing businesses, responsibly serving in a fiduciary capacity in connection with his several Board memberships, and has demonstrated a history of regulatory compliance. The records examined, the interviews conducted, his history of successfully maintaining his multi-jurisdictional licensing or qualification in good standing as confirmed by our regulatory agency verification, review of his financial records and adherence to various state requirements, all illustrate that Wayson has demonstrated the qualities necessary for suitability to participate as a qualifier in the proposed project.

Based upon the comprehensive investigation of Daniel Boone Wayson, the investigation did not reveal any information that would preclude a finding that he possesses the requisite integrity, honesty and good character that are statutorily mandated by M.G.L. c.23K §12(a)(1). Further, the review of all submitted materials, independent investigation, comprehensive data base searches, personal interviews and past business practices indicate that he has demonstrated sufficient business ability to take part in the operation of a successful gaming establishment as

mandated by M.G.L. c.23K §12(a)(3), as well as a general history of compliance with applicable gaming regulations as required by M.G.L. c.23K §12(a)(4).

7. ROBERT J. MILLER

Robert J. Miller ("Miller"), [redacted], is a United States citizen and currently resides in [redacted]. Miller is a Director of **Wynn Resorts, Limited** ("**Wynn Resorts**"), the parent company of **Wynn MA, LLC**, the applicant herein for a Category 1 gaming license.

Miller reported, and this investigation confirmed, that Miller attended the University of Santa Clara from 1963 to 1967 and was awarded a Bachelor of Arts in Political Science on June 1, 1967. Thereafter, from 1968 to 1971, Miller attended Loyola Law School in Los Angeles, California where this investigation confirmed that he was awarded a Juris Doctor Degree in 1971. This investigation has confirmed with the Nevada State Bar Association that Miller holds an active Attorney License, having been admitted to the Nevada State Bar on December 31, 1971.

From August 18, 1967 until July 13, 1973 Miller also served in the US Army Reserves and later in the US Air Force Reserves, having received an honorable discharge on July 13, 1973.

Miller began his legal career in 1971 as a Deputy District Attorney for Clark County, Nevada. In 1973 Miller also began working as an attorney for the Clark County Sheriff's Department while remaining part- time with the Clark County District Attorney's Office. Then, in 1978, Miller successfully ran for Clark County District Attorney and held that elected position until 1986. In connection with his accomplishments in the field of victim advocacy, in 1982, Miller was appointed by President Ronald Reagan to serve on the National Task Force on Victims of Crime.

Miller then successfully ran for Lieutenant Governor of Nevada, becoming the 29th Lieutenant Governor of Nevada on January 5, 1987. On January 3, 1989, Miller became Acting Governor when his predecessor resigned to become a United States Senator. Miller, thereafter, was elected for two full four-year terms as Governor of the State of Nevada and served as Governor until 1999. Miller was the longest-serving Governor in the history of Nevada. As

Governor, Miller spent much of his efforts growing the Nevada economy, with a focus on enhancing the tourism and convention business within the State. During the time he was Governor, Miller served twice as Chairman of the Western Governors' Association and as Chairman of the National Governors' Association. Miller was also appointed by President Clinton to serve on the Intergovernmental Advisory Council.

After leaving office, Miller became a Partner with the law firm of Jones Vargas, working in their Las Vegas office from 1999 until 2005. During that time, Miller also began sitting on certain Boards, most notably, the Board of International Game Technology ("IGT"), one of the leading worldwide gaming equipment manufacturers. Miller has been an Independent Director on IGT's Board since 2000 and presently serves on the Board's Membership and Corporate Governance Committee. In 1999, Miller also began sitting on the Board of Directors for Zenith National Insurance Company, a Worker's Compensation insurance company headquartered in Woodland Hills, California, with a secondary headquarters in Sarasota, Florida. Miller sat on that Board until 2010, when that company was purchased by a Canadian company that took it private.

In 2005, Miller left the firm of Jones Vargas and became associated with Dutko Worldwide, a Washington, DC based bipartisan lobbying firm, as a Principal. Currently, Miller serves as a Senior Advisor for Dutko and has held that position since 2010. Miller also currently is a principal in his own consulting firm, Robert J. Miller Consulting, which he stated has about six clients. Since 2010, Miller has also served as the Chairman of the Nevada Advisory Board for Newmont Mining Corporation, headquartered near Denver, Colorado and one of the world's largest gold producers.

Miller has recently written his autobiography titled "Son of a Gambling Man," which chronicles his early life growing up in Chicago, his tenure as Governor of the State of Nevada and his experiences since.

With respect to his membership on the **Wynn Resorts** Board, Miller has been a Director since 2003. In his capacity as a Member of the Board of Directors, Miller has continuously chaired both the Compliance and Nominating and Corporate Governance Committees. Miller indicated during his sworn interview that, at varying times, he has also served on the Compensation Committee but presently is not serving in that capacity. At the time of his sworn

interview, Miller further disclosed, and the investigation confirmed, that he recently began serving as a member of the Audit Committee.

With respect to how Miller became involved with the **Wynn Resorts** Board, he stated during his sworn interview that he had met Steve Wynn at varying times throughout his political career. Miller stated that when Steve Wynn decided to take **Wynn Resorts** public, he contacted Miller and inquired into his interest in sitting on the new Board. At that time, Miller was already sitting on the IGT Board and after clearing it with IGT to ensure there were no issues, he accepted Steve Wynn's proposal and agreed to become a member of the Board.

Miller has also been a member of the Board of Advisors for the National Center for Missing and Exploited Children since 1999, as well a trustee on the Board of Trustees for the American Cancer Society since 1999.

With respect to other businesses in which he owns over five percent, Miller reported that since 1977, he has held a [redacted] ownership interest in Sunride Investment Group, which consists of a real estate investment in the form of a warehouse. Miller also reported a [redacted] ownership interest since October 2012 in CBL Toxicology Services, Inc., a company that has developed a blood testing mechanism to market to workers compensation companies.

[redacted] The investigation thoroughly evaluated Miller's submissions, inclusive of his financial materials, tax returns and records, as well as his general financial history, and can report no adverse findings or information that would indicate that Miller does not possess the requisite financial integrity, responsibility, and financial stability to be found suitable to participate in the proposed project. The financial analysis is reported in an attached financial report for this qualifier.

Miller reported that, in his capacity as a Director of IGT, he holds gaming licenses, registrations and/or findings of suitability in numerous jurisdictions. This investigation verified his gaming licenses and found them to be in good standing in the following jurisdictions. No derogatory information was reported in any of the gaming jurisdictions.

JURISDICTION/AGENCY	STATUS
South Australia Office of the Liquor Licensing Commission Adelaide, South Australia 5000 Australia	Current Approval since 2000

Tasmanian Gaming Commission Hobart, Tasmania 7001 Australia	Current Approval since May 9, 2011
Victorian Commission for Gambling and Liquor Regulation Victoria 3121 Australia	Licensed since June 13, 2000
Alberta Gaming and Liquor Commission St. Albert, Alberta T8N 3T5 Canada	Found Suitable
Alcohol and Gaming Commission of Ontario Toronto, Ontario M2N 0A4 Canada	Registered on May 31, 2000
British Columbia Ministry of Public Safety and Solicitor General Victoria, British Columbia V8W 9J1 Canada	Registered on February 24, 2009 Expiration November 30, 2014
New Brunswick Gaming Control Branch Fredericton, New Brunswick E38B 5H1 Canada	Registered in February 2010 and renewed each year including 2013
Nova Scotia Alcohol and Gaming Authority Dartmouth, Nova Scotia B2Y 3Y8 Canada	Submitted application on January 4, 2011 and received favorable security clearance.
Saskatchewan Liquor and Gaming Authority Regina, Saskatchewan S4P 3M3 Canada	Found Suitable
Malta Lotteries & Gaming Authority Mriehel B'Kara, BKR3000 Malta	Registered
Arizona Department of Gaming	Found Suitable
California Gambling Control Commission	Licensed on 04/23/2009.Last renewed on 04/26/2013
Colorado Division of Gaming	Found Suitable 05/18/2000
Florida Lottery – Last filed 04/10/2003. No longer required to file.	Found Suitable
Indiana Gaming Commission	License in good standing License Expires: 3-5-2014 (Renewed Annually)
Kansas Racing & Gaming Commission	Licensed on 5/29/2009 Renewed on 12/14/2012
Louisiana Office of State Police	Found Suitable on 11/26/2007 Last renewal on 01/30/2013
Maryland State Lottery Agency	Licensed on 4/23/2010
Michigan Gaming Control Board	Found Suitable on 6/12/2001
Missouri Gaming Commission	License issued on 7/23/2008 Expires 5/31/2015
New Jersey Casino Control Commission	Found Qualified
New Mexico Gaming Control Board	Found Suitable for licensure on 02/22/2010 License will expire on or about 02/21/2016
Oneida Nation Gaming Commission (NY)	Licensed on 01/14/2004 Renewed January 2010
Ohio Casino Control Commission	Currently licensed
Oregon Department of State Police Oregon State Lottery	Found Suitable on 06/07/2012

Pennsylvania Gaming Control Board	License issued on 08/08/2007 Renewed on 09/22/12
Wisconsin Division Of Gaming	Found Suitable in 2012
West Virginia Lottery – App 2012 Racetrack License	Found Suitable
West Virginia Lottery – App 2012 Table Games License	Found Suitable

The investigation reviewed and evaluated Miller's submitted materials, data base and, where necessary, confirmatory agency records relating to Miller. This review disclosed no material findings adverse to Miller's suitability.

[redacted]

All civil litigation matters involving Miller have been fully disclosed and clarified during Miller's sworn interview and materials regarding such actions are retained in the records of the IEB. All of the litigation matters identified and reviewed were determined to be in the normal course of business operations and not adverse to this qualifier's suitability. In this regard, other than matters in which Miller is personally named in connection with his position on various Boards, including the **Wynn Resorts** Board, Miller has not been personally named and/or involved in any civil litigation.

The investigation also confirmed that Miller has not made any prohibited political contributions in Massachusetts that violate M.G.L. c.23K 46 or 205 CMR 108.

Miller has provided, as references, the names of three individuals, all of whom have known him personally for at least 25 years. Miller's references report that he is a person of the highest honesty and integrity. None of the references provided any information that would be adverse to Miller's suitability. He was described by one of his references as someone who has a "history of protecting the defenseless" and "looking out for the underdogs."

The investigation confirmed that Miller has a credible history of successfully managing his business interests and serving as an elected official within the State of Nevada, responsibly serving in a fiduciary capacity in connection with his several Board memberships, and has demonstrated a history of regulatory compliance. The records examined, the interviews conducted, his history of successfully maintaining his multi-jurisdictional licensing or qualification in good standing, as confirmed by our regulatory agency verification, review of his financial records and adherence to various state requirements, all illustrate that Miller has demonstrated the qualities necessary for suitability to participate as a qualifier in the proposed project.

Based upon the comprehensive investigation of Robert Miller, the investigation did not reveal any information that would preclude a finding that he possesses the requisite integrity, honesty and good character that are statutorily mandated by M.G.L. c.23K §12(a)(1). Further, the review of all submitted materials, independent investigation, comprehensive data base searches, personal interviews and past business practices indicate that he has demonstrated sufficient business ability to take part in the operation of a successful gaming establishment as mandated by M.G.L. c.23K §12(a)(3), as well as a general history of compliance with applicable gaming regulations as required by M.G.L. c.23K §12(a)(4).

8. ELAINE P. WYNN

Elaine P. Wynn ("Elaine Wynn"), [redacted], is a United States citizen and currently resides in [redacted]. Elaine Wynn is a Shareholder and a Director of **Wynn Resorts, Limited** ("**Wynn Resorts**"), the parent company of **Wynn MA, LLC**, the applicant herein for a Category 1 gaming license. Elaine Wynn holds a 9.7% equity interest in **Wynn Resorts**.

Elaine Wynn reported that from 1960 to 1961 she attended the University of California-Los Angeles. Elaine Wynn also reported and, this investigation confirmed, that she thereafter attended George Washington University in Washington, DC from 1961 until 1964, where she was awarded a Bachelor of Arts Degree in Political Science on June 7, 1964. During her sworn interview she indicated that she transferred to George Washington University after she met Steve Wynn who, at that time was attending the University of Pennsylvania.

While Elaine Wynn and Steve Wynn ("Steve Wynn") were still in college, Steve Wynn's father, Michael Wynn, passed away. Michael Wynn was a partial owner of and operated a bingo business in Maryland and, with his passing, both Elaine Wynn and Steve Wynn became involved with operating the bingo business. The couple married in June 1963 and upon graduating from college, they resided together in Maryland. Thereafter, in 1967, Elaine Wynn and Steve Wynn moved to Las Vegas, during which time Elaine Wynn was a full time mom while Steve Wynn worked at the Frontier Hotel and subsequently became involved with a liquor business, which he purchased and then later sold.[25]

Thereafter, when Steve Wynn began operating the Las Vegas Golden Nugget, Elaine Wynn became responsible for community relations on behalf of the company and, in 1973, became a member of the Board of Directors for the company. Elaine Wynn described her role with the Golden Nugget as being non-traditional in the sense that she did not have a title, but was involved in areas where she felt she could make a contribution. In fact, Elaine Wynn stated that this type of non-traditional role continued with respect to her participation as a Director for Mirage Resorts and continues to be the case with her involvement with **Wynn Resorts**. In addition to serving as a Director for **Wynn Resorts**, Elaine Wynn also serves as a Director of Wynn Resorts International, Ltd., Wynn Las Vegas Capital Corp., Wynn Resorts (Macau) Holdings, Ltd. and Palo Real Estate Company.

Elaine Wynn is described by her references as being incredibly smart, thoughtful and warm hearted. She is further characterized as someone who is straight forward and honest with an impeccable reputation. Elaine Wynn's references also commented on her extensive history and interest in education related matters and the investment she has made of both her time and financial resources toward improving the quality of education throughout the country.

Elaine Wynn has been appointed by the Governor of Nevada to serve as the President of the Nevada State Board of Education, which acts as an advocate for equal access to educational services for all children to facilitate their success. Elaine Wynn's term began on January 8, 2013 and runs until January 4, 2015. In further connection with her efforts to improve the quality of

[25] See the individual report on Steve Wynn for additional information.

education, Elaine Wynn currently serves on the following Boards dedicated to the betterment of educational and developmental services to children.

- Co-Chairperson of the Greater Las Vegas Inner City Games/After-School All-Stars Local Board
- Member of Communities in Schools National Board
- Founding Chairman and current member of the Communities In Schools Nevada Board

Elaine Wynn is also a strong supporter of the arts and has been appointed to and currently serves as a member of the Board of Trustees for the following organizations:

- Kennedy Center for the Performing Arts
- Los Angeles County Museum of Art
- Library of Congress Trust Fund

Elaine Wynn's philanthropic activities and dedication to the community resulted in the dedication of the Elaine Wynn Elementary School, located in Las Vegas, NV, in 1991. Additionally, in 2011 Elaine Wynn established the Elaine Wynn Studio for Arts Education at The Smith Center for the Performing Arts in Las Vegas.

[redacted] The investigation thoroughly evaluated Elaine Wynn's submissions, inclusive of her financial materials, tax returns and records, as well as her general financial history, and can report no adverse findings or information that would indicate Elaine Wynn does not possess the requisite financial integrity, responsibility and stability to be found suitable to participate in the proposed project.

Elaine Wynn reported and this investigation confirmed that she held, currently holds and/or was an applicant for a finding of suitability with the following gaming regulatory agencies. No derogatory information was reported in any of the below gaming jurisdictions.

JURISDICTION/AGENCY	STATUS
Nevada Gaming Control Board	Previously found suitable as Director of Golden Nugget Las Vegas and Mirage Resorts Inc. Application filed 03/2010 as Director and shareholder of Wynn Resorts, Limited

New Jersey Casino Control Commission	Previously a qualifier of Mirage Resorts Inc.
Mississippi Gaming Commission	Previously found suitable as Director of Mirage Resorts Inc. Granted 7/16/98. Not Active. No disciplinary action.
Gaming Commission of Macau (Comissao De Jogo De Macau) Macau China	Included with approval of initial casino concession.
Pennsylvania Gaming Control Board – App filed 2012	No longer pending. Wynn Resorts withdrew application.

Elaine Wynn also reported that she held a Bingo license in Anne Arundel County (MD) Inspections & Permits (1963-1984). However, this jurisdiction did not respond to this investigation's inquiries with respect to verification of this information.

The investigation reviewed and evaluated Elaine Wynn's submitted materials, data base and, where necessary, confirmatory agency records relating to these license holdings. This review disclosed no material findings adverse to Elaine Wynn's suitability.

[redacted]

All civil litigation matters involving Elaine Wynn have been fully disclosed and clarified during Elaine Wynn's sworn interview and materials regarding such actions are retained in the records of the IEB. All of the litigation matters identified and reviewed were determined to be in the normal course of business operations and not adverse to this qualifier's suitability. Civil litigation matters in which Elaine Wynn was personally involved include a Divorce Action which resulted in the entry of a Judgment of Divorce dissolving her marriage to Steve Wynn in January 2010.

Elaine Wynn is currently a cross-claimant in the *Wynn Resorts, et al v Okada, et al* litigation currently pending in the Nevada District Court, Clark County, Nevada ("Okada Litigation"). Specifically, Elaine Wynn has asserted a cross claim against Steve Wynn and Okada requesting the court to invalidate the 2010 Shareholders Agreement, pursuant to which

she is restricted from selling or voting any of her shares. When questioned during her sworn interview about this litigation, Elaine Wynn responded that she does not believe the Shareholders Agreement is "servicing the original purpose for which it was created"[26] and that she is seeking rescission of the Shareholders Agreement for purposes of "estate planning and liquidity, and it is not any more complicated than that."[27] Elaine Wynn stressed that, to the extent she had the ability to vote and/or sell her shares without any restriction, she would never do anything which would be detrimental to the company as, considering the number of shares she owns and the time she has devoted to the company, any adverse actions taken by her in that regard would certainly not be in her best interests.

It should be noted that the Indentures provide that if Steve Wynn, together with certain related parties, in the aggregate beneficially-owns a lesser percentage of the outstanding common stock of the Company than are beneficially owned by any other person, a change of control will have been deemed occur. If Elaine Wynn is successful in her cross claim, Steve Wynn will no longer beneficially own or control Elaine Wynn's shares and a change in control may result under the Company's debt documents. Under the Indentures, if a change of control occurs the Company is required to make an offer (unless the notes have been previously called for redemption) to each holder to repurchase all or any part of the holder's Notes at a purchase price equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest on the Notes purchased, if any, to the date of repurchase.

The investigation also confirmed that Elaine Wynn has not made any prohibited political contributions in Massachusetts that violate M.G.L. c.23K 46 or 205 CMR 108.

The investigation confirmed that Elaine Wynn has a credible history of successfully managing businesses, responsibly serving in a fiduciary capacity in connection with her several Board memberships, and has demonstrated a history of regulatory compliance. The records examined, the interviews conducted, her history of successfully maintaining her multi-jurisdictional licensing or qualification in good standing as confirmed by the regulatory agencies

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[26] Elaine Wynn Sworn Interview Transcript page 13

[27] Elaine Wynn Sworn Interview Transcript page 13

contacted, as well as the examination of her financial records, all illustrate that Elaine Wynn has demonstrated the qualities necessary for suitability to participate as a qualifier in the proposed project.

Based upon the comprehensive investigation of Elaine Wynn, the investigation did not reveal any information that would preclude a finding that she possesses the requisite integrity, honesty and good character that are statutorily mandated by M.G.L. c.23K §12(a)(1). Further, the review of all submitted materials, independent investigation, comprehensive data base searches, personal interviews and past business practices indicate that she has demonstrated sufficient business ability to take part in the operation of a successful gaming establishment as mandated by M.G.L. c.23K §12(a)(3), as well as a general history of compliance with applicable gaming regulations as required by M.G.L. c.23K §12(a)(4).

9. DR. RAY R. IRANI

Ray R. Irani ("Irani"), [redacted], is a United States citizen and currently resides in [redacted]. Irani is a Director for **Wynn Resorts, Limited** ("**Wynn Resorts**"), the parent company of **Wynn MA, LLC,** the applicant herein for a Category 1 gaming license**.**

Irani was born in Beirut, Lebanon, [redacted]

The first name given to Irani at birth was Riyad, which he stated, during his sworn interview, he legally changed to Ray, in 1967, upon becoming a United States citizen. Irani indicated that he changed his first name as a matter of convenience to avoid frequent mispronunciations by people within the United States.

Irani reported, and this investigation confirmed, that Irani attended the American University of Beirut and received a Bachelor of Science Degree in Chemistry on June 29, 1953. Irani then came to the United States in August 1953 and attended the University of Southern California, where the investigation confirmed he was awarded PhD in Physical Chemistry in 1957.

At the time of his sworn interview, Irani was employed with Occidental Petroleum Corporation, ("Occidental"), a publicly traded company on the New York stock exchange, which is one of the largest international oil and gas exploration and production companies in the United States. In fact, several of the media reports reviewed during this investigation credit Irani for the tremendous growth experienced by Occidental over the years.

Prior to beginning his career with Occidental, Irani reported that he was employed with Olin Corporation, a chemicals and metals company, where he held several positions with the last one being President and Chief Operating Officer. Then, in 1983, Irani, was hired by Occidental to lead and oversee the operations of the company's chemical division. Irani was soon promoted to President and then, in 1990, he was elevated to Chief Executive Officer and Chairman of the Board. Irani held that position until May 2011, at which time he stepped down as Chief Executive Officer in connection with Occidental's institution of a leadership succession plan in response to shareholder concerns over executive compensation packages. In this regard, the investigation indicated that Irani announced his resignation after two major institutional Occidental investors objected to the company's compensation policies and announced plans to replace long-term board members. At that time, Irani further announced that he planned to stay on as Executive Chairman until the end of 2014. However, on May 6, 2013, Irani was not reelected to serve on the Occidental Board. During the time of his sworn interview, Irani advised that he was currently in negotiations with Occidental in connection with the settlement of his employment contract, which expires in May 2015.

In addition to his current board seat with **Wynn Resorts**, Irani presently serves as a member of the Board of Trustees for three universities. He has been a member of the Board of Trustees for the American University of Beirut since November 1986, a member of the Board of Trustees for the University of Southern California since April 1992, and a member of the Board of Trustees for the Lebanese American University since July 1994. Since May, 2012, Irani has also been a member of the Board of Trustees for the Center for the Study of the Presidency & Congress in Washington DC.

Irani was formerly a member of the Board of Directors for KB Home, one the largest home builders in the United States. During Irani's sworn interview he advised that he was

interviewed by the District Attorney in Los Angles in connection to an investigation into whether the former Chairman and Chief Executive Officer of KB Home, Bruce Karatz ("Karatz"), had engaged in the practice of backdating stock options. Karatz was reported as having been convicted of mail fraud, lying to company accountants and making false statements in reports to the SEC on April 21, 2010. It appears that Irani chaired the executive compensation committee of the company during the time period when Karatz lied about the company's practice of backdating options. Although Irani received a majority of votes supporting his re-election to the KB Board, in light of having received a 19% opposition vote, Irani chose to resign after 15 years of service.

[redacted]

Irani has served on the Board of Directors for **Wynn Resorts** since October, 2007. In his capacity as a Member of the Board of Directors, Irani serves as a member of the Nominating and Corporate Governance Committee as well as the Compensation Committee.

Irani disclosed, and the investigation confirmed, that he is an extremely wealthy individual, who maintains a charitable foundation which contributes toward the support of various educational institutions, including the University of Southern California, as well as

various medical organizations involved in research for discovering cures for Multiple Sclerosis, Diabetes and other diseases.

[redacted] The investigation thoroughly evaluated Irani's submissions, inclusive of his financial materials, tax returns and records, as well as his general financial history, and can report no adverse findings or information that would indicate that Irani does not possess the requisite financial integrity, responsibility and financial stability to be found suitable to participate in the proposed project.

Irani did not disclose, and our investigation did not reveal, any gaming licenses being held by him. Other than the within application for suitability, Irani has not applied to any gaming jurisdiction for a finding of suitability.

The investigation reviewed and evaluated Irani's submitted materials, data base searches, and where necessary, verified agency records relating to this qualifier, and this review disclosed no material findings adverse to Irani's suitability.

[redacted]

All civil litigation matters involving Irani have been fully disclosed and clarified during Irani's sworn interview and materials regarding such actions are retained in the records of the IEB. All of the litigation matters identified and reviewed were determined to be in the normal course of business operations and not adverse to this qualifier's suitability.

The investigation also confirmed that Irani has not made any prohibited political contributions in Massachusetts that violate M.G.L. c23K 46 or 205 CMR 108.

Irani's references have been contacted and the investigation has revealed that Irani is considered by each reference to be a person of the highest character and integrity. None of the references provided any information which would be adverse to Irani's suitability.

The investigation confirmed that Irani has a credible history of managing successful business investments, responsibly serving in a fiduciary capacity in connection with his several Board memberships, and has demonstrated a history of regulatory compliance. The records examined, the interviews conducted, and his history of maintaining his status in good standing as confirmed by our review of his financial records and adherence to various state requirements, all illustrate that Irani has demonstrated the qualities necessary for suitability to participate as a qualifier in the proposed project.

Based upon the comprehensive investigation of Ray Irani, the investigation did not reveal any information that would preclude a finding that he possesses the requisite integrity, honesty and good character that are statutorily mandated by M.G.L. c.23K §12(a)(1). Further, the review of all submitted materials, independent investigation, comprehensive data base searches, personal interviews and past business practices indicate that he has demonstrated sufficient business ability to take part in the operation of a successful gaming establishment as mandated by M.G.L. c.23K §12(a)(3), as well as a general history of compliance with applicable gaming regulations as required by M.G.L. c.23K §12(a)(4).

10. J. EDWARD VIRTUE

James Edward Virtue ("Virtue"), [redacted], is a United States citizen and currently resides in [redacted]. Virtue is a Director for **Wynn Resorts, Limited** ("**Wynn Resorts**"), the parent company of **Wynn MA, LLC**, the applicant herein for a Category 1 gaming license.

Virtue reported, and this investigation confirmed, that Virtue attended Middlebury College, located in Vermont, from September 1978 until May 1982 where he was awarded a Bachelor of Arts Degree in Economics and Psychology on May 23, 1982.

Virtue reported that during the 1980s he was employed by Drexel, Burnham, Lambert, the former Wall Street investment banking firm. However, when Drexel, Burnham, Lambert was forced into bankruptcy in 1990, Virtue reported, and this investigation confirmed, that he became employed with Banker's Trust, where he held the position of President of Investment Banking. In 1999, when Deutsche Bank purchased Banker's Trust, Virtue then continued in the employ of

Deutsche Bank as the Managing Director/Head of Global Finance for the firm's merchant banking business.

Thereafter, in 2003, Virtue left Deutsche Bank and founded MidOcean Partners, an investment firm located in New York City, NY. Virtue is the Director and Chief Executive Officer of MidOcean Partners, a private investment firm that focuses on acquiring control of, and increasing the revenues for, small middle market private companies, primarily in the United States.

With respect to his membership on the **Wynn Resorts** Board, Virtue is relatively a new Director, having been elected to the Board in 2012. In his capacity as a Member of the Board of Directors, Virtue serves as Chairman of the Compensation Committee and also serves on the Nominating and Corporate Governance Committee. Virtue stated that he has known Steve Wynn for at least 25 years. In this regard, Virtue indicated that he initially met Steve Wynn when he, Virtue, was employed at Drexel, Burnham, Lambert and became involved with raising financing for various Wynn projects. Virtue stated that he worked on the financing for Wynn's Mirage casino in 1986. When Virtue was with Deutsche Bank, he was also involved with advising Steve Wynn on the sale of the Mirage in 2001, as well as raising the financing needed by Steve Wynn for **Wynn Resorts** in 2002.

Virtue indicated that he had kept in touch with Steve Wynn over the years as Steve Wynn, from time to time, would solicit Virtue's advice on financial matters. Virtue also reported, during his sworn interview, that Steve Wynn had become an investor in one of the credit funds managed by MidOcean Partners sometime in the late 2000s. Subsequently, Steve Wynn approached Virtue and asked him if he would be interested in sitting on the **Wynn Resorts** Board. Prior to coming onto the **Wynn Resorts** Board, to ensure his independence in this position, Virtue stated that he had Steve Wynn cancel his investment with MidOcean Partners. As stated above, Virtue was elected to the Board in 2012.

In addition to serving as a Director of **Wynn Resorts**, Virtue has served on the Board of Trustees for Middlebury College since September 1995. Since February 2011, Virtue has also served on the Board of Directors for Right To Play, a global non-profit organization that

promotes the "use of sport and play to educate and empower children and youth to overcome the effects of poverty, conflict and disease in disadvantaged communities."[28]

[redacted] The investigation thoroughly evaluated Virtue's submissions inclusive of his financial materials, tax returns and records, as well as his general financial history, and can report no adverse findings or information that would indicate that Virtue does not possess the requisite financial integrity, responsibility, and financial stability to be found suitable to participate in the proposed project. The financial analysis is reported in an attached financial report for this qualifier.

Virtue did not disclose, and our investigation did not reveal, any gaming licenses being held by him. Other than the within application for suitability, Virtue has not applied to any gaming jurisdiction for a finding of suitability.

The investigation reviewed and evaluated Virtue's submitted materials, data base and, where necessary, confirmatory agency records relating to Virtue. This review disclosed no material findings adverse to Virtue's suitability.

[redacted]

All civil litigation matters involving Virtue have been fully disclosed and clarified during Virtue's sworn interview and materials regarding such actions are retained in the records of the IEB. All of the litigation matters identified and reviewed were determined to be in the normal course of business operations and not adverse to this qualifier's suitability.

Virtue has provided, as references, the names of three individuals, all of whom have known him personally for at least 17 years. All of Virtue's references hold him in high regard and none of the references provided any information which would be adverse to Virtue's

[28] Mission Statement appearing on website for Right To Play.

suitability. He was described as "the most honest person you will ever meet" and a "man of the highest integrity, a loyal family man and friend."

The investigation also confirmed that Virtue has not made any prohibited political contributions in Massachusetts that violate M.G.L. c. 23K 46 or 205 CMR 108.

The investigation confirmed that Virtue has a credible history of successfully managing businesses within the financial sector and has demonstrated a history of regulatory compliance. The records examined, the interviews conducted, and his history of maintaining his status in good standing as confirmed by our review of his financial records and adherence to various state requirements, all illustrate that Virtue has demonstrated the qualities necessary for suitability to participate as a qualifier in the proposed project.

Based upon the comprehensive investigation of James Virtue, the investigation did not reveal any information that would preclude a finding that he possesses the requisite integrity, honesty and good character that are statutorily mandated by M.G.L. c.23K §12(a)(1). Further, the review of all submitted materials, independent investigation, comprehensive data base searches, personal interviews and past business practices indicate that he has demonstrated sufficient business ability to take part in the operation of a successful gaming establishment as mandated by M.G.L. c.23K §12(a)(3), as well as a general history of compliance with applicable gaming regulations as required by M.G.L. c.23K §12(a)(4).

11. JOHN J. HAGENBUCH

John Jacob Hagenbuch ("Hagenbuch"), [redacted], is a United States citizen and currently resides in [redacted]. Hagenbuch is a Director for **Wynn Resorts, Limited** ("**Wynn Resorts**"), the parent company of **Wynn MA, LLC**, the applicant herein for a Category 1 gaming license.

Hagenbuch reported, and the investigation confirmed, that Hagenbuch attended Princeton University from 1969 until 1974 and was awarded a Bachelor of Arts Degree in Politics on June 11, 1974. Hagenbuch then attended Stanford University from 1976 until 1978, where he received a Masters of Business Administration ("MBA") on June 18, 1978.

Upon graduating from Princeton, Hagenbuch reported that he worked for an international leasing subsidiary of Chemical Bank, which Hagenbuch stated is now part of J.P. Morgan. He, thereafter, obtained his MBA at Stanford and moved back to New York and worked in the corporate finance department of Salomon Brothers. He remained with Salomon Brothers and, in 1980, he was transferred to the San Francisco office where he remained employed until 1985. Hagenbuch then joined Hellman & Friedman, an investment banking boutique firm, in which he was the third most senior partner and worked there until he retired in 1993.

After retiring from Hellman & Friedman in 1994, Hagenbuch co-founded M&H Realty Partners, a real estate opportunity fund business, which invested in redevelopment shopping centers in California. Hagenbuch reported, and this investigation confirmed, that Hagenbuch is currently Chairman of M&H Realty. Hagenbuch stated, during his sworn interview, that most of M&H Realty's real estate assets were sold prior to the economic crisis in 2008 and the company is currently still attempting to liquidate four remaining real estate assets. In 2010, Hagenbuch founded Westland Capital Partners, another real estate opportunity business, for which he is also currently Chairman. Westland Capital Partners is in the business of purchasing unimproved land located in Northern California, which has already received the necessary subdivision approvals ("approved unimproved land"), for subsequent resale for residential housing.

Hagenbuch further disclosed, and this investigation confirmed, that he has been an active investor in a number of public and private companies, including some biotech companies. In this regard, from August 2005 through present day, Hagenbuch is the Chairman of Onconome, Inc., a company dedicated to the discovery, development and commercialization of the early detection of colon cancer. Hagenbuch, is presently the largest shareholder of Onconome. From January 2006 until June 2007, Hagenbuch was also the chairman and the second largest shareholder of Microlslet, Inc., a company formed by Hagenbuch's brother-in-law, which was involved in the licensing of technology for the treatment of type 1 diabetes. However, Hagenbuch resigned as Chairman when Microlslet, Inc. recapitalized. Microlslet, Inc. is no longer active, having filed for bankruptcy in November 2008.

Hagenbuch was appointed to the Board of Directors of **Wynn Resorts, Limited** in December 2012. With respect to how he came to be on the Wynn Board, Hagenbuch stated,

during his sworn interview, that he met Steve Wynn in Ketchum, Idaho as Steve Wynn also has a home there. He indicated that he became very friendly with Steve Wynn and, when Steve Wynn made the decision to restructure the **Wynn Resorts** Board to reduce its size and increase the number of independent directors, Steve Wynn asked Hagenbuch if he would be interested in serving as a Director. Hagenbuch accepted and joined the **Wynn Resorts** Board in December 2012 and stated, during his sworn interview, that it has been a very interesting experience thus far. Hagenbuch further commented that, in his opinion, **Wynn Resorts** is a very well-run company, subject to many more regulations than other companies with which he has been involved. Hagenbuch reported, and this investigation further confirmed, that Hagenbuch is a member of both the Audit and Compensation Committees for **Wynn Resorts**.

[redacted] The investigation thoroughly evaluated Hagenbuch's submissions, inclusive of his financial materials and tax returns and records, as well as his general financial history, and can report no adverse findings or information that would indicate that Hagenbuch does not possess the requisite financial integrity, responsibility, and financial stability to be found suitable to participate in the proposed project. The financial analysis is reported in an attached financial report for this qualifier.

Hagenbuch did not disclose, and our investigation did not reveal, any gaming licenses being held by him. Other than the within application for suitability, Hagenbuch has not applied to any gaming jurisdiction for a finding of suitability.

Hagenbuch disclosed, and this investigation confirmed, that Hagenbuch has been licensed as Private Pilot with the US Department of Transportation, Federal Aviation Administration, since 1999. Research has verified that Hagenbuch's Private Pilot license is currently active with no expiration date. No derogatory information or sanctions are noted for this license. Hagenbuch disclosed during his interview, however, that he has not flown an aircraft since 2004.

The investigation reviewed and evaluated Hagenbuch's submitted materials, data base and, where necessary, confirmatory agency records relating to Hagenbuch. This review disclosed no material findings adverse to Hagenbuch's suitability.

[redacted]

All civil litigation matters involving Hagenbuch have been fully disclosed and clarified during Hagenbuch's sworn interview and materials regarding such actions are retained in the records of the IEB. All of the litigation matters identified and reviewed were determined to be in the normal course of business operations and not adverse to this qualifier's suitability.

The investigation also confirmed that Hagenbuch has not made any prohibited political contributions in Massachusetts that violate M.G.L. c.23K 46 or 205 CMR 108.

Hagenbuch has provided, as references, the names of three individuals. Each individual has been contacted regarding Hagenbuch. All three references indicated that Hagenbuch was of the highest character and integrity. None of the references provided any information which would be averse to a finding of suitability for Hagenbuch.

The investigation confirmed that Hagenbuch has a credible history of successfully managing businesses and has demonstrated a history of regulatory compliance. The records examined, the interviews conducted, his history of maintaining his status in good standing as confirmed by the review of his financial records, all demonstrate the qualities necessary for suitability to participate as a qualifier in the proposed project.

Based upon the comprehensive investigation of John Hagenbuch, the investigation did not reveal any information that would preclude a finding that he possesses the requisite integrity, honesty and good character that are statutorily mandated by M.G.L. c.23K §12(a)(1). Further, the review of all submitted materials, independent investigation, comprehensive data base searches, personal interviews and past business practices indicate that he has demonstrated sufficient business ability to take part in the operation of a successful gaming establishment as mandated by M.G.L. c.23K §12(a)(3), as well as a general history of compliance with applicable gaming regulations as required by M.G.L. c.23K §12(a)(4).

VIII. CONCLUSION AND FINDINGS

The materials in this report reflect a summary and evaluation by experienced gaming regulatory investigators, Massachusetts State Police officers assigned to the Investigations and Enforcement Bureau of the MGC, and legal and financial professionals applying statutory and regulation specified criteria. The scope of the investigation is conducted within MGC prescribed time frames yet is comprehensive. The representations of **Wynn MA** have been verified to the maximum extent possible and remain subject to further review, evaluation and supplement within the discretion of the IEB and the MGC.

EXHIBIT 1

LAND

A certain parcel of registered and unregistered land situated on the westerly, southwesterly and northerly side of Horizon Way (also known as Chemical Lane) in the City of Everett, in the County of Middlesex, Commonwealth of Massachusetts, shown on a plan entitled "Compiled Plan of Land in Everett & Boston, MA (Middlesex & Suffolk County)" dated January 14, 1983 by Miller & Nylander Co., a division of Boston Survey Consultants, Inc., and recorded with Middlesex South District Registry of Deeds in Book 15083, Page 253, as Plan No. 696 of 1983 (B, C & D of 4), and bounded and described according to the plan as follows:

Beginning at a point in the easterly sideline formerly of the Boston and Albany Railroad (now of Consolidated Rail Corporation) at the most southerly corner of land now or formerly of Massachusetts Bay Transportation Authority; thence turning and running

SOUTH 09° 12'52" East	96.60 feet to a point; thence
SOUTH 40° 07'44" East	717.15 feet to a stone bound, the first two courses by land of Massachusetts Bay Transportation Authority; thence
SOUTH 02° 17'44" East	24.75 feet to appoint; thence
NORTH 87° 42'16" East	255.05 feet to a point, the last two courses by a portion of Chemical Lane; thence
SOUTH 06° 07'06" East	partly by a portion of Chemical Lance and partly by land of Massachusetts Bay Transportation Authority, 1300.00 feet to a point; thence
SOUTH 83° 52'54" West	264.50 feet to a point; thence
SOUTH 06° 07'06" East	about 625 feet to the Mystic River, the last two courses by land of Massachusetts Bay Transportation Authority; thence
NORTHWESTERLY	by the Mystic River about 820 feet to a point in the easterly sideline of the Boston and Albany Railroad land; thence
NORTH 00° 00'00" East	by land formerly of the Boston and Albany Railroad about 2,317 feet to the point of beginning.

There is included within the parcel described above the following parcel of unregistered land:

That certain parcel of land situated southerly of, but not abutting, Chemical Lane, in Everett, Middlesex County, Massachusetts, containing 86,134.1 square feet, bounded and described, according to the plan hereinafter referred to, as follows:

NORTHWESTERLY	three hundred twenty-six and 90/100 (326.90) feet;
NORTHEASTERLY	two hundred eighteen and 19/100 (218.19) feet;
SOUTHEASTERLY	forty-three and 21/100 (43.21) feet;
NORTHEASTERLY	again one hundred ten and 50/100 (110.50) feet;
SOUTHEASTERLY	again ninety-five (95.00) feet;
SOUTHWESTERLY	ninety and 50/100 (90.50) feet;
SOUTHEASTERLY	again one hundred thirty-seven and 50/100 (137.50) feet;
SOUTHWESTERLY	again two hundred thirteen (213.00) feet;
SOUTHEASTERLY	again forty (40.00) feet; and
SOUTHWESTERLY	again one hundred and 16/100 (100.16) feet.

All of said courses and distances being by other land previously registered to Boston Edison Company under Certificate of Title No. 168210, filed in the Middlesex South Registry District of the Land Court in Registration Book 971, Page 60.

The above-described parcel of land is shown on a plan entitled "Plan of Monsanto Company's Unregistered Land, Everett, Mass." signed by John W. Mich, Registered Land Surveyor, dated December 21, 1982, and recorded with Middlesex South District Registry of Deeds in Book 15083, Page 253, as Plan No. 696 of 1983 (A of 4).

There are included within this perimeter the following parcels of REGISTERED LAND, designated by parcel letter, shown on plans and covered by the certificates of title listed below:

Parcel	Plan Number	Registry District	Certificate	Book-Page
B**	18691A	Middlesex South	No. 168210	971-60

(Lot) C9152B Middlesex South No. 168210 971-60

*Plan filed with Certificate of Title No. 53765, Book 264, Page 165.

** Parcel B on Plan 18691A in Plan Book 485, Page 177 (excepting and excluding from said Parcel B to a Parcel shown as "New England Alcohol Company").

For title, see the following:

(ii) deed recorded with Middlesex South District Registry of Deeds in Book 33123, Page 71; and

(iii) deed filed with the Middlesex South Registry district of the Land Court as Document No. 1175130, noted on Certificate of Title No. 221665, in Registration Book 1238, Page 15.

There is excluded from the above described property landed in Boston, Suffolk County, shown as Lot C on Plan Number 18691A filed with the Suffolk County Registry District of the Land Court, Certificate No. 95812, Page 475, Page 12.

EXHIBIT 2

See aerial photo.

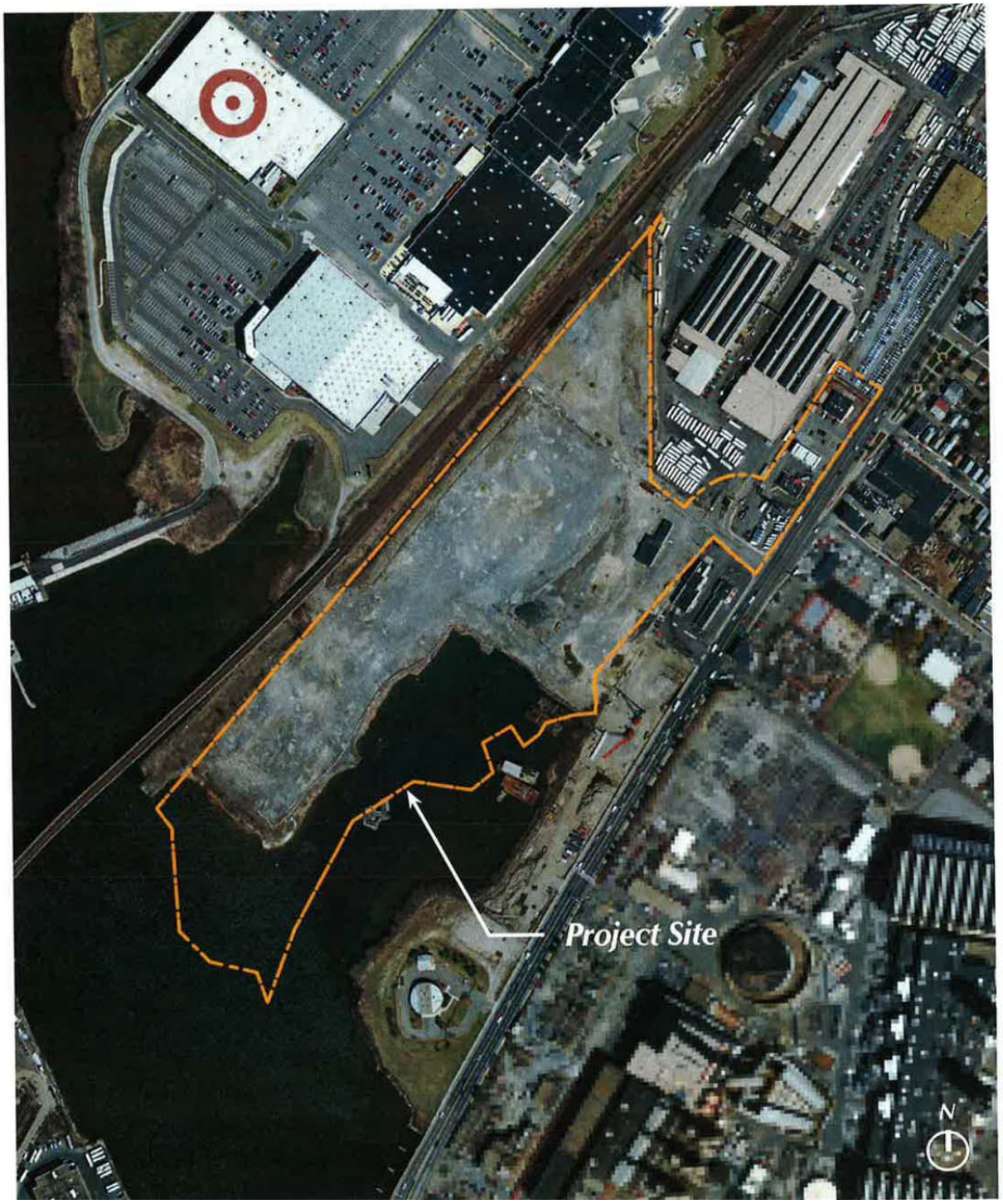

EXHIBIT 3

See Existing Site Conditions survey.

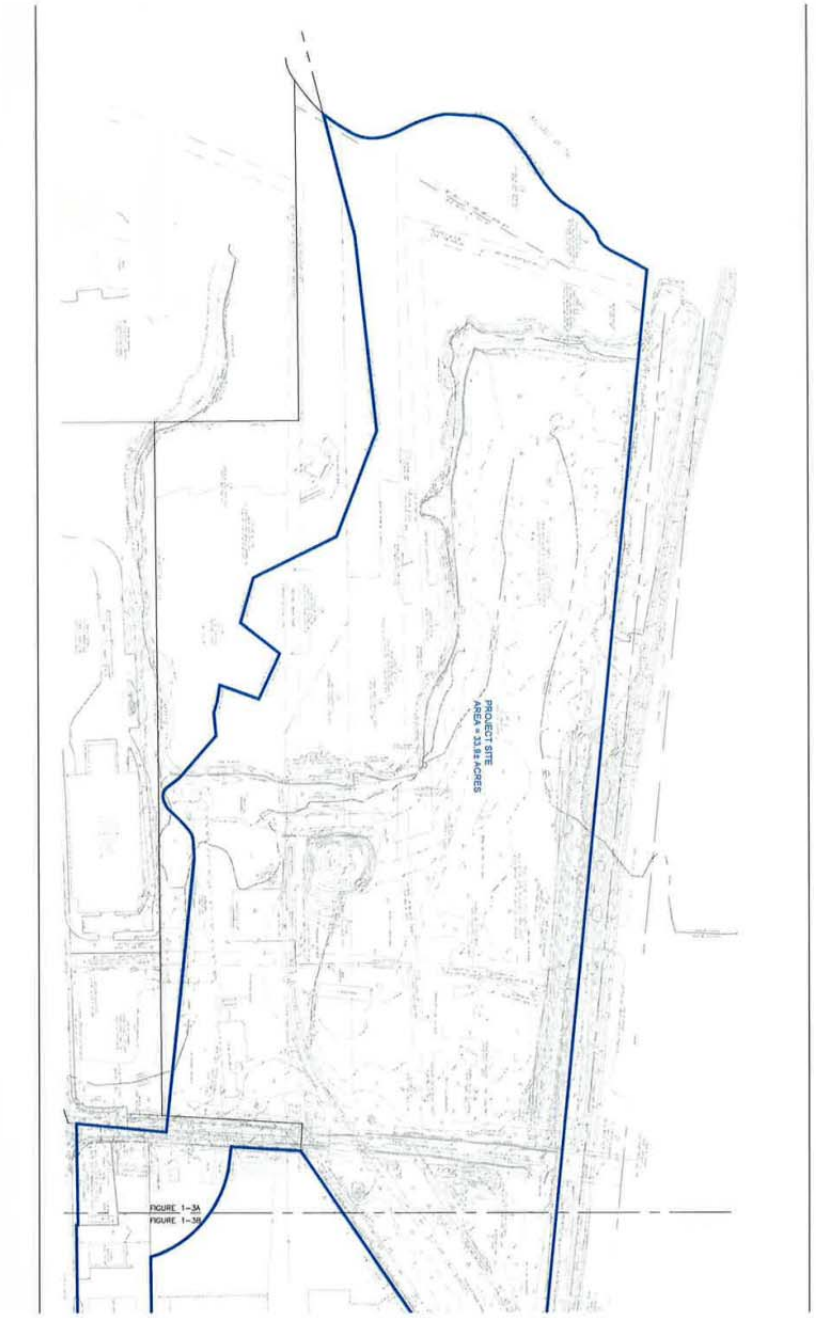

EXHIBIT 4

See Wynn Resorts, Limited and Subsidiaries – Organizational Chart

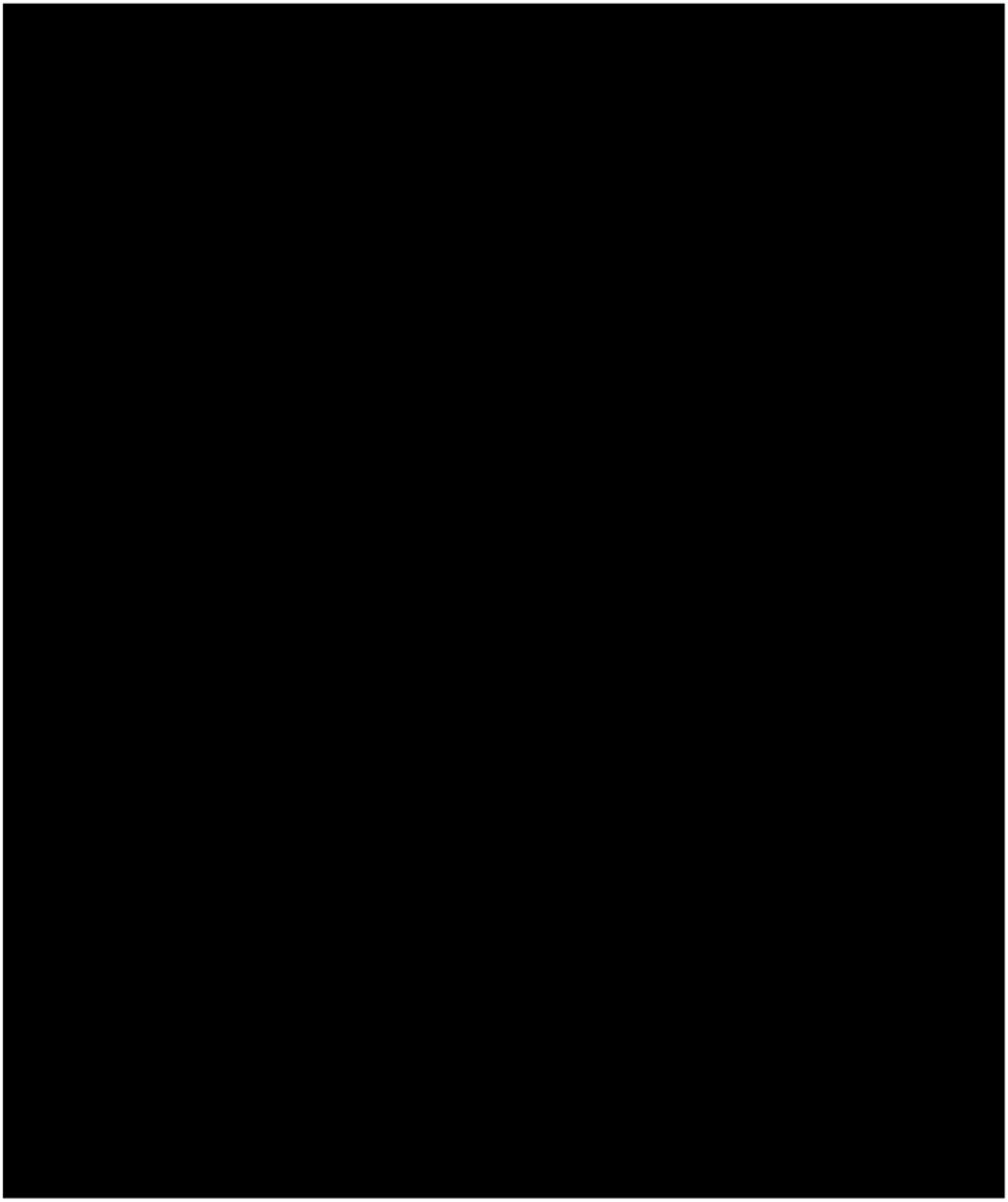

EXHIBIT 5

Summary of IEB Interviews with eleven of Wynn Macau's 14 Gaming Promoters[29]

- Prior to the Junket Promoter interviews, investigators requested that Wynn Macau provide the application each junket promoter had submitted to DICJ prior to their licensing. Wynn Macau General Counsel, Jay Schall cited an issue with the Macau Data Protection Act and that DICJ would not authorize Wynn Macau's release of this information to investigators, therefore investigators were not allowed to view the applications. Jay Schall informed investigators that the Director of the IEB should contact Manuel Joaquim das Neves (DICJ) to request the release of this information.
- During two visits to Wynn Macau in June and August of 2013, Junket Promoters/Employees from a total of [redacted] of the [redacted] licensed Gaming Promoters operating at Wynn Macau were interviewed by IEB investigators. Wynn Macau alluded to vacations as the reason the other [redacted] Junket Promoters were not available to be interviewed.
- Investigators reviewed Wynn Resorts, Ltd. Corporate Security Background Investigative Reports on the [redacted] licensed Junket prior to the interviews. Several of these reports identified persons of questionable reputation having some type of association within the Junkets operating out of several VIP rooms at Wynn Macau. Senior VP of Corporate Security (Wynn Resorts) Jim Stern indicated that while "Raw" intelligence indicated some relationship between these person(s) and these Junkets, Wynn's Corporate Security has been unable to identify any formal relationship or involvement in day to day operations of the VIP room by these parties. Stern added that Wynn Corporate Investigators does not act upon raw intelligence, market rumor or innuendo. Wynn Corporate Investigators concentrate on the activity within "our" casino and between Wynn Macau and its contracted partners.
- In response to a question about percentage of junket ownership and the identity of shareholders/beneficiaries or financial backers (guarantors), many of the Gaming Promoters cited confidentiality and declined to provide this information to investigators. In addition, most of the Junket Promoters cited confidentiality regarding the financial arrangement with Wynn Macau and the commission Wynn paid to collaborators and subjunkets.

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[29] At the time of the Investigators' interviews with the Gaming Promoters in June and August 2013, Wynn Macau had 14 Gaming Promoters. At the present time of the submission of this Report, there are 12.

- Junket employees were asked about the DICJ licensing process. Most of the Junket Promoters indicated that they had little knowledge of the process and that their lawyers prepared their applications.
- Junket Promoters were asked about the number of subjunkets/collaborators that operate out of their VIP Rooms. Wynn Macau had provided investigators with a list of [redacted] subjunkets as operating out of the various VIP Rooms at Wynn Macau, as listed on the DICJ licensing forms. The junket promoter response was inconsistent with this list. One Junket Promoter indicated that they engage over [redacted] collaborators. Another Promoter stated they engage [redacted] collaborators, however the list provided reflects [redacted] collaborators to this Junket. Several others Junket Promoters declined to identify the number of collaborators.
- The Junket Promoters were asked about the average number of High Value Transaction Reports (HVTR) recorded each day. Many of them indicated this number to be in the [redacted]. One Junket Promoter indicated that they file approximately [redacted] HVTR's per day. [redacted] who stated that they [redacted] file STRs said that they [redacted] file them because the Gaming Promoter never allows players to bet if inadequate information exists concerning the player.
- During one interview, the Gaming Promoter appeared completely disinterested in cooperating with the interview process displaying belligerent, arrogant and disrespectful behavior. Several minutes into the interview, the Gaming Promoter asked, "Can I leave?" The Gaming Promoter was informed that investigators had more questions but that "no one was making them stay." At this point, the Gaming Promoter terminated the interview and abruptly left the room. [redacted]

EXHIBIT 6

- During an interview of Wynn Macau Chief Operating Officer – President of International Marketing, Linda Chen, she was asked about [redacted] and [redacted] and their association with Junkets at Wynn Macau. Chen described [redacted] and [redacted] as "customers" and having no involvement in any of Wynn Macau's junkets. During an interview of Scott Peterson (June 2013), former CFO of Wynn Macau, he described [redacted] and [redacted] as the owners of the [redacted] junket which Peterson stated is the same as the [redacted] Junket. A Wynn Macau Compliance Committee Meeting no. 57 (dated May, 11, 2010) corroborates this stating, "We were informed that [redacted] of our junket operators, [redacted], is going to terminate their account with Wynn Macau and their tables will be transferred to [redacted] [NOTE: [redacted] and [redacted] are actually run by the same party [redacted].] Legal Department is working on the necessary paperwork to submit to DICJ." During an interview with Steve Wynn in September he was asked about [redacted] and his association with junkets at Wynn. Mr. Wynn replied, "That group is called [redacted]." [redacted] is a publicly traded company and he stated that "for all I know, I think maybe [redacted] and [redacted] have some shares in that company."

- In December 2012 Senior VP of Corporate Security, Jim Stern was asked by IEB, what role [redacted] and [redacted] play in relation to the [redacted] junket. Specifically, Wynn Macau VIP room [redacted]. Stern provided the following response: Our report reflects that [redacted] and [redacted] are possibly associated with the [redacted] Junket. We update our reports semi-annually and they are provided to DICJ and Nevada GCB. We monitor this matter constantly. Our internal reports indicate that [redacted] and/or [redacted] may have some relationship with the [redacted] Junket. The Contracted Junket is [redacted]. We have conducted background investigations on both [redacted] and [redacted]. While there is "Raw" intelligence indicating that [redacted] family has criminal Triad connections, he has never been convicted of a crime, and in fact, has several legitimate business interests in Macau and Hong Kong.

[redacted]

EXHIBIT 7

OMLC, LLC

v.

Mystic Landing, LLC, & others

81 Mass.App.Ct. 1127

April 9, 2012.

Appeals Court of Massachusetts.

OMLC, LLC

v.

MYSTIC LANDING, LLC, & others.[31]

No. 10–P–1996.

J. Gavin Cockfield for Mystic Landing, LLC.

Marshall F. Newman for OMLC, LLC.

By the Court (CYPHER, COHEN & WOLOHOJIAN, JJ.).

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[31] Boston Development Ventures LLC and FBT Everett Realty LLC, interveners

Opinion

MEMORANDUM AND ORDER PURSUANT TO RULE 1:28

*1 OMLC, LLC (OMLC), and Mystic Landing, LLC (Mystic), entered into a purchase and sale agreement (P & S) under which Mystic agreed to sell real estate located partly in Everett and partly in Boston. A week before the closing, as part of its pre-closing due diligence, OMLC discovered that the city of Boston had recorded a taking of the Boston portion of the property for nonpayment of real estate taxes. OMLC brought this matter to Mystic's attention and demanded that the tax be paid. Five days before the scheduled closing, Mystic's attorneys paid the amounts due and obtained a receipt from the city. OMLC was informed that the taxes had been paid and confirming documentation from the city to that effect was provided to OMLC. However, because of the timing, the city could not produce a certificate of tax redemption prior to the closing and, as a result, Mystic could not deliver the certificate at the closing. OMLC refused to close, claiming that Mystic had breached the P & S because—without the certificate of tax redemption—Mystic could not convey such title as was required by the P & S. Mystic later sold the property to Boston Development Ventures LLC (BDV). OMLC brought suit against Mystic seeking specific performance and, in the alternative, return of its deposit.[32] BDV intervened, and FBT Everett Realty LLC, to whom BDV had assigned the property, joined BDV as an intervener. The parties cross-moved for summary judgment on the specific performance claim, and the judge ruled against OMLC. OMLC appeals from the resulting separate and final judgment, and we affirm.

We review the record to determine "whether, viewing the evidence in the light most favorable to the nonmoving party, all material facts have been established and the moving party is

[32] The deposit is not at issue in this appeal.

entitled to a judgment as a matter of law." *Augat, Inc. v. Liberty Mut. Ins. Co.,* 410 Mass. 117, 120 (1991). On appeal, "[w]e may consider any ground supporting the judgment." *Ibid.* We interpret an unambiguous contract as a matter of law on summary judgment. *Seaco Ins. Co. v. Barbosa,* 435 Mass. 772, 779 (2002). The standard is the same when reviewing a decision on a summary judgment motion involving specific performance. See *Coviello v. Richardson,* 76 Mass.App.Ct. 603, 607–608 (2010).

Mystic was required to "convey a title in accordance with the requirements of the agreement." *Siegel v. Shaw,* 337 Mass. 170, 172 (1958). Paragraph 2.1 of the P & S provides that "Seller agrees to sell and transfer, and Buyer agrees to purchase and acquire, *all of Seller's right, title, and interest* in and to [the property]" (emphasis added). Under this provision, OMLC "bought whatever [Mystic] might have to sell" and "accepted the chance that there might not be any enforceable title; or even the right of possession." *United Sugar Co. v. Guaranty Trust Co.,* 254 Mass. 292, 293 (1926) (construing the phrase "right, title and interest"). Consistent with this conclusion is paragraph 11.1, which required Mystic only to execute and deliver a "quitclaim deed conveying title to the Land."[33] "Quitclaim covenants do not guarantee full and paramount title, but do guarantee that the grantor is conveying whatever title he has and that he has done nothing to impair or encumber that title." *Dalessio v. Baggia,* 57 Mass.App.Ct. 468, 470 n. 4 (2003). See *Quimby v. McHugh,* 3 Mass.App.Ct. 797, 797 (1975) ("[T]he plaintiff's promise was not to convey the premises in question but to convey by a quitclaim deed ... all her right, title, and interest (if any) in and to the premises ..."). Finally, paragraph 6.2 does not state that the list of permitted encumbrances is exclusive or that clear record title is otherwise required. In short, the P & S did not require Mystic to convey clear record title,

[33] Paragraph 2.2 provides that "Seller agrees to convey, and Buyer agrees to accept, on the Closing Date ... title to the Land," but does not contradict the provisions requiring a quitclaim deed, as opposed to a deed conveying clear record title.

but only such title as it had. In other words, the P & S required OMLC to purchase the property even subject to the city's tax taking.

*2 Even were that not the case, the tax obligation had been satisfied by the time of closing. Under G.L. c. 60, § 62, payment of the delinquent taxes and interest redeemed title to the property by operation of law. The statute provides that "[a]ny person having an interest in land taken or sold for nonpayment of taxes ... may redeem the same by paying or tendering to the treasurer the amount of the tax title account of the land being redeemed."[34] *Ibid.,* as appearing in St.1935, c. 414, § 2. Before the taxes were paid, the city merely held tax title to a portion of the property, analogous to the bare legal title held by a mortgagee. See *Maglione v. BancBoston Mort. Corp.,* 29 Mass.App.Ct. 88, 90 (1990). Just as a mortgagee takes title to property only to secure a debt, see *Negron v. Gordon,* 373 Mass. 199, 204 (1977), the tax title provisions of G.L. c. 60 were "enacted by the Legislature to provide municipalities with a mechanism for the prompt collection of delinquent real estate taxes," *Lynnfield v. Owners Unknown,* 397 Mass. 470, 474 (1986). Once the taxes and interest were paid, the city's interest in the property terminated. Cf. *Pineo v. White,* 320 Mass. 487, 489 (1946) ("The payment of the mortgage notes at or before maturity, or the due performance of any other condition that is expressed in the mortgage, terminates the interests of the mortgagee without any formal release or discharge and revests the legal title in the mortgagor").

For these reasons, we conclude that Mystic's inability to produce a certificate of tax redemption at the closing did not put it in breach of its obligations under the P & S and that summary judgment was properly allowed in favor of Mystic and the interveners.[35]

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[34] General Laws c. 60, § 63, requires recording of the certificate of tax redemption to restore title following the tax taking if the property has been conveyed by a tax collector's deed, see G.L. c. 60, § 48; *Hebda v. O'Brien,* 6 Mass.App.Ct. 661, 662–663 (1978), which the record shows is not the case here.

[35] Deciding as we do, we need not address the parties' arguments about who was responsible for payment of the real estate taxes.

Judgment entered September 14, 2010, affirmed.

EXHIBIT 8

[redacted]

[redacted]

[redacted]

[redacted]

EXHIBIT 9

EXHIBIT 10

[redacted]

EXHIBIT 11

From the Boston Business Journal :http://www.bizjournals.com/boston/print-edition/2012/12/14/everett-casino-site-could-be-a-gamble.html

SUBSCRIBER CONTENT: Dec 14, 2012, 6:00am EST

Everett casino site could be a gamble for Wynn

Galen Moore, gmoore@bizjournals.com

A sliver of Boston extends across the Mystic River to the Everett side, stretching over the Alford Street bridge along Route 99 toward the foot of Broadway. The city's border runs down the middle of Chemical Lane, the only existing road into a former industrial site on which Everett Mayor Carlo DeMaria has fixed his hopes for a casino.

The list of potential problems facing a proposed casino on that site begins with Boston's encroachment: The nearly 35-acre property straddles the city line, raising the possibility that formal host-community approvals could be needed in both Boston and Everett.

The complications don't end there. The soil at the site, once used by Monsanto for a chemical plant, is laced with poisons. A former litigant still holds an easement to the property. And a business associate who only recently relinquished his role in the property's ownership was convicted of insurance fraud after his derelict warehouse was gutted by arson in the 1990s. Any one of these facts might trip up a would-be casino developer like Wynn Resorts CEO Steve Wynn, who flew in to tour the site two weeks ago. **Hard Rock Cafe International Inc.** and Rush Street Gaming LLC — two other casino developers reportedly approached by DeMaria — have remained on the sidelines.

A spokeswoman for Las Vegas-based Wynn said the casino developer has examined all those issues and remains interested in the Everett site. DeMaria's office did not return calls seeking comment.

A 2012 report by **GEI Consultants**, paid for by FBT and filed with the state Department of Environmental Protection, referenced earlier studies going back to 1995 that found arsenic and lead in the soil at concentrations too high to allow use for "retail or landscaped areas," according to DEP standards. Monsanto, which owned the site for decades, filled in land with arsenic-laced materials used in the manufacture of sulfuric acid, according to the studies.

Wynn acknowledged the need for the cleanup in a news conference last month, saying the property's current owner, a trust called FBT Everett LLC, will pay for the remediation — a cost that will surely come up in any negotiations with FBT's manager, The DeNunzio Group LLC of Cambridge.

Everett officials have so far been solicitous of a casino. But Boston may play a role. A 5.4-acre portion of FBT's Chemical Lane property lies within Boston city limits. Wynn spokeswoman Nancy Sterling, of Boston public relations and lobbying firm **ML Strategies**, said the developer is interested in buying only land in Everett. But Wynn reportedly wants 37 acres. Records from the Everett assessor's office and the Middlesex Registry of Deeds show that the Everett portion of FBT's Chemical Lane property measures 29.9 acres. The location of the other seven acres is unclear.

Access to the property could also be an issue: Chemical Lane is half in Boston, where Mayor Thomas Menino has thrown tacit support behind a competing casino bid at Suffolk Downs. Another access point from Route 99 crosses an easement owned by William Thibeault, an Everett real estate developer and owner of Wood Waste of Boston Inc., who battled FBT in Suffolk Superior Court over ownership of the land and lost. A third way into the former Monsanto site could be built over the MBTA commuter railroad right-of-way behind the Everett Costco, which could present its own challenges. Sterling said Wynn has not yet developed a plan for building access to the property.

FBT principal Dustin DeNunzio said his firm has a suitable way into the site that could be used by a casino development, although he declined to provide details.

If Wynn's Everett casino proposal gets past Monsanto, Menino and Thibeault, it may still face a final obstacle in Gary P. DeCicco.

DeCicco, who developed the Atlantis Marina in Winthrop with DeNunzio, is on early incorporation documents for FBT. Co-owners DeNunzio, Paul Lohnes and Anthony Gattineri removed him in January 2012 — two months after Gov. Deval Patrick signed the law allowing three resort casinos and one slot machine parlor to be built in the state — and DeNunzio said DeCicco is no longer an owner of the property.

Nonetheless, Massachusetts' new casino gambling law requires state gambling officials to investigate "the suitability of all parties in interest to the gaming license." DeNunzio declined to discuss the terms of DeCicco's separation. But if the remaining partners bought him out at a casino-related premium, DeCicco's background could play into a decision by the Massachusetts Gaming Commission about FBT's suitability.

DeCicco in 2004 was sentenced to two years of probation after being convicted of insurance fraud related to a 1995 fire that destroyed a building he owned in Chelsea. The fire was the third incident of arson at 17 Rear Heard St. A jury acquitted DeCicco of setting the fire, deciding that youths who illegally used the derelict warehouse as a hangout may have done it. But DeCicco, who couldn't be reached for comment for this story, was convicted of defrauding his insurance company in the $119,000 insurance settlement by lying about demolition costs and the building's contents, and forging the endorsements of his bank and the city of Chelsea on the insurance company's check.

DeCicco's case isn't necessarily on the same scale as others where "unsuitability" has derailed would-be casino operators. MGM, for instance, backed out of Atlantic City in 2010 after New Jersey gambling authorities put pressure on the casino operator over its ties to the family of Stanley Ho, a controversial gambling tycoon in Macau. A pair of New Jersey-

based gambling consultants are advising the Massachusetts Gaming Commission on its licensing process. Also, commission member Gayle Cameron previously oversaw gambling regulation as a top state police official in New Jersey. If they follow suit, it's a sure bet that DeCicco's name will come up.

EXHIBIT 12

In the Matter of WYNN MA, LLC

Entity Report - Condensed (Public) Version

A. **Financial Background, including Holding Companies and Subsidiaries**.

The applicant is **Wynn MA, LLC**. This entity has no financial history, as it was only recently formed to pursue a gaming license in the Commonwealth of Massachusetts. Instead, the financial information set forth below is that of **Wynn Resorts, Limited** ("**Wynn Resorts**"), the parent company of **Wynn MA, LLC**.

Wynn Resorts is a Nevada corporation formed in June 2002. It currently owns and operates two destination casino resorts, one in Las Vegas, NV; the other in the Macau Special Administrative Region of the People's Republic of China ("Macau"). The Las Vegas property consists of Wynn Las Vegas and Encore at Wynn Las Vegas. The Macau property includes Wynn Macau and Encore at Wynn Macau. For financial reporting purposes, the financial condition (assets and liabilities) and operating results (income and expenses) of the Las Vegas properties and Macau properties are consolidated.

Wynn Resorts is a publicly-traded company. As such, all of its specific financial information is available in its Forms 10-K (annual financial report) and 10-Q (quarterly financial report), inclusive of descriptive and supporting footnotes. These forms may be accessed by way of **Wynn Resorts'** website.

B. **Financial Operating Results - Wynn Resorts, Limited (Consolidated)**

Wynn Resorts properties are financially successful. Gross revenues, income from operations, and net income increased significantly in 2011 from 2010 and remained relatively steady in 2012. The large increase from 2010 to 2011 is the result of having a full year of operations in Macau. This is especially significant since, on average, the Macau property accounts for 70% to 75% of **Wynn Resorts**' overall revenues and earnings. The quarterly earnings reports in 2013 reflect a continuation of successful operating results.

The successful results of operations have contributed to **Wynn Resorts** maintaining a high level of cash and a strong Balance Sheet. **Wynn Resorts**' working capital ratio is

consistently strong (this is a measure of its current assets, those being cash and cash equivalents along with other assets that are readily convertible to cash, relative to current liabilities, those being obligations that are generally due within one year). In addition, its total assets were well in excess of total liabilities until 2012. In that year (February 2012), **Wynn Resorts** recorded a liability to a former shareholder when Wynn Resort's Board of Directors found the former shareholder to be "unsuitable." As a result of this finding of unsuitability, **Wynn Resorts** redeemed the shareholder's stock and recorded a long-term liability (to Aruze USA, Inc.) on its books to reflect the amount owed to the former shareholder in exchange for his stock. The redemption price was established at the stock's "fair value" (which differs from fair market value), this value having been the subject of extensive analysis by a variety of professionals. Despite the recordation of this additional long-term liability, **Wynn Resorts**' total assets remain in excess of its total liabilities, though the excess of total assets over total liabilities is not presently significant.

1. *Covenants.* IEB financial investigators discussed debt covenants with Wynn Resort's financial management and, more importantly (from an independence perspective) key representatives of Wynn Resort's public accounting firm who must, as part of the annual audit, examine **Wynn Resorts'** compliance with debt covenants and financial maintenance ratios. Both sources confirmed that, to the extent that certain debt may be subject to financial maintenance covenants, no covenants have been, or are in jeopardy of being, violated.

2. *Discussion of Specific Financial Issues.*

a. **Analysis of Revenues, Expenses and Operating Results**. The financial condition of **Wynn Resorts** is strong. The financial data shown above illustrates the following:

- generally increasing gross revenues.
- high levels of income from operations.
- significant amounts of cash flows from operations.
- high levels of cash and cash equivalents on hand.
- strong "current ratios" (a comparison of current assets to current liabilities).
- manageable debt levels (including the debt to Aruze USA, Inc.) relative to cash flows, cash balances, and **Wynn Resorts'** ability to further borrow or refinance.

b. **Internal control environment**. **Wynn Resorts'** commitment towards strong internal accounting controls is substantial.

This commitment begins with the Audit Committee of the Board of Directors which, at present, is made up of four highly qualified, independent board members. (Three of the members meet NASDAQ's strict definition as an "Audit Committee Financial Expert.") The Audit Committee meets regularly and actively oversees the activities of the internal audit function. For example, it reviews and approves Internal Audit's annual comprehensive audit plan, reviews all internal audit reports, and maintains an open line of communication with the Vice President of Internal Audit.

The internal audit department is also highly qualified, effective, and independent of management. It maintains a full-time staff in Las Vegas and Macau. Much of its work is "compliance oriented," meaning its audit tests are designed to address Wynn Resort's compliance with the Sarbanes-Oxley Act and the Foreign Corrupt Practices Act. (See below for a brief discussion of these acts.) As noted above, the internal audit department, and its Vice President, report directly to the Audit Committee resulting in the head of the internal audit department having an open line of communication with the committee. Further, the internal audit department, itself, is the subject to a quality assurance review and evaluation by an outside company. The most recent review of the internal audit department resulted in a positive report consisting of only minor recommendations for improvement.

The independent accounting firm, Ernst & Young, reinforced the effectiveness of the Audit Committee and Internal Audit Department. In an interview with the IEB financial investigators, the partner-in-charge of the audit described the Audit Committee as being "competent, dedicated, and independent of Steve Wynn." It also stated that **Wynn Resorts** maintains "an effective system of internal accounting control." Consistent with this representation is the absence of any material or significant internal control deficiencies having been reported by the accounting firm resulting from its annual independent audits.

Finally, Wynn Resort's commitment to compliance matters, especially in the area of accounting and financial reporting, is demonstrated by its many active sub-committees, these being tasked with oversight responsibility in very specific areas. These include the Sarbanes-

Oxley Steering Committee, the Disclosure Committee (relative to financial reporting) and a Compliance Committee.

As noted above, much of the Audit Committee and Internal Audit Department's emphasis is on compliance with Sarbanes-Oxley and the Foreign Corrupt Practices Act. The former, Sarbanes-Oxley, was passed in 2002 and set new or enhanced standards for all US public company boards, management and public accounting firms. Specifically, this act requires that top management now certify as to the accuracy of financial information, it increased penalties for fraudulent financial information, increased the independence standards of outside auditors, and enhanced the oversight role of the board of directors. The latter, Foreign Corrupt Practices Act, is designed to govern payments to foreign officials, candidates, and parties.

c. **Funding of new projects**. Although the method by which the applicant intends to fund the construction of its proposed Massachusetts gaming facility is a matter to be addressed in Phase 2 of the application process (should **Wynn Resorts** proceed to Phase 2), the topic is briefly addressed in this financial summary for the reason that **Wynn Resorts** has three potential projects, all of which may require construction funding at, or around, the same time. As such, this is a material financial issue to be considered as part of Wynn's application.

At present, **Wynn Resorts** has begun construction of a new casino project in Cotai, and is pursuing projects in Philadelphia and, of course, Massachusetts. The estimated construction costs of each (**in billions**) are:

• Cotai-	$ 3.5 to $ 4.0
• MA-	1.4 to 1.4
• PA-	.9 to .9
Total	**$ 5.8 to $ 6.3**

Per discussion with Wynn Resort's financial management, construction financing will come in four basic forms - long-term debt, cash flow from existing operations, short-term debt, and in the case of PA only, an equity investment. Using round numbers, funds from additional long-term debt are estimated to be $3.2 to $3.7 billion, funds from cash flow are estimated to be $2.3 to $2.7 billion, funds from short-term debt is estimated to be $.2 billion, while in PA, an equity partner's contribution is estimated to be $.14 billion. (The sum of these four estimates do not necessarily equal the sum of the projects for the reason that, at the time of construction, the actual amount to be raised in each category will be adjusted based on market conditions existing

at that time, meaning the low estimate in one category may be incurred, while incurring the high estimate in another category. The estimates shown are high estimates and are presented to enable the reader to understand the eventual financial effect to **Wynn Resorts** of the pending construction projects.)

With respect to use of existing cash flow, as shown above, **Wynn Resorts'** annual cash flow from operations averaged $1.25 billion from 2010 to 2012. Insofar as the construction process may last for four years, the amount of cash flow estimated to be used for construction purposes represents approximately 50% of total available cash flow. This does not take into consideration present cash (which, also as shown above, currently approximates $2 billion), thereby further supporting the reasonableness of the projected level of cash to be used to fund part of the proposed construction costs.

As to long-term debt (this being the largest source of funds for the proposed construction projects), **Wynn Resorts** is well-positioned to incur additional debt. Any such debt, it has been represented, will not affect present debt covenants or financial maintenance covenants.

In summary, **Wynn Resorts**' financial condition should not be adversely affected by the costs incurred to fund the three pending construction projects.

Just recently, Wynn Resorts announced that it is abandoning its plans to develop a casino project in Philadelphia. The effect of this is to further strengthen its financial ability to do so in Cotai and Massachusetts.

C. **Overall Conclusion as to Financial Responsibility Based on Facts.**

As noted above, the applicant, **Wynn MA, LLC**, is a newly-formed entity having had no financial activity. The applicant's financial resources are from **Wynn Resorts, Limited** which operates two destination casino resorts, one in Las Vegas, NV and the other in Macau. The Las Vegas property consists of Wynn Las Vegas and Encore at Wynn Las Vegas. Similarly, the Macau property includes Wynn Macau and Encore at Wynn Macau.

Based on information provided to the IEB investigative team, including representations made by members of **Wynn Resorts** management and other interviewees, it is our opinion that:

1. The financial condition of **Wynn Resorts** is strong, and it has adequate assets and sufficient borrowing capabilities to fund its commitment to the proposed Massachusetts gaming project.

2. **Wynn Resorts**' revenue and cash flow trends are positive, as is its available cash.

3. **Wynn Resorts** has established and is committed to maintaining an effective system of internal control. In its most recent audits, the independent auditor reported no internal control weaknesses that it considered to be significant or material.

[redacted]

EXHIBIT 13

STEPHEN A. WYNN

IEB conducted an evaluation of the financial integrity, responsibility and stability of qualifier Stephen A. Wynn ("Steve Wynn") by focusing on two areas, namely his net worth statement as disclosed in his PHD filed with the Commonwealth of Massachusetts as of September 30, 2012, and through a review of his sources of income as reported in the PHD and his federal income tax returns filed for the years 2009 through 2011.

Steve Wynn is the President, Director, and Chief Executive Officer of **Wynn Resorts, Limited** ("**Wynn Resorts**"), the parent company of **Wynn MA, LLC**, the gaming entity applicant. Steve Wynn also holds positions of Director, President, or CEO of several related entities including, but not limited to, Wynn PA, Inc., Wynn Macau, Ltd., Wynn Las Vegas, LLC, and Cotai Land Development Company.

[redacted]

[redacted]

In summary, the financial investigation did not establish any adverse findings or information that would indicate that Stephen A. Wynn does not possess the requisite financial integrity, responsibility, and financial stability to participate in the proposed Massachusetts gaming project.

EXHIBIT 14

MATTHEW O. MADDOX

IEB conducted an evaluation of the financial integrity, responsibility, and stability of qualifier Matthew O. Maddox ("Maddox"), by focusing on two areas, namely his net worth statement as disclosed in his PHD filed with the Commonwealth of Massachusetts as of November 6, 2012, and through a review of his sources of income as reported in the PHD and his federal income tax returns filed for the years 2009 through 2011.

Maddox is the Chief Financial Officer and Treasurer of **Wynn Resorts, Limited** ("**Wynn Resorts**"), the parent company of **Wynn MA, LLC**. In addition, he is the Chief Financial Officer and Treasurer of **Wynn MA, LLC**, and holds a variety of uncompensated officer position in other Wynn subsidiaries.

[redacted]

[redacted]

In summary, the financial investigation did not establish any adverse findings or information that would indicate that Matthew O. Maddox does not possess the requisite financial integrity, responsibility, and financial stability to participate in the proposed Massachusetts gaming project.

EXHIBIT 15

KIMMARIE SINATRA

IEB conducted an evaluation of the financial integrity, responsibility and stability of qualifier Kimmarie Sinatra by focusing on two areas, namely her net worth statement as disclosed in her PHD filed with the Commonwealth of Massachusetts as of October 31, 2012, and through a review of her sources of income as reported in the PHD and her federal income tax returns filed for the years 2009 through 2011.

Sinatra is presently Senior Vice President and General Counsel of **Wynn Resorts, Limited** ("**Wynn Resorts**"), the parent company of **Wynn MA, LLC**. She also owns shares of its publicly traded stock. She presently serves on several boards, namely, The Smith Center for the Arts, The Nevada Legal Aid Center of Southern Nevada, Inc., and The National Judicial College, these being unrelated to the Wynn organization.

[redacted]

[redacted]

In summary, the financial investigation did not establish any adverse findings or information that would indicate that Kimmarie Sinatra does not possess the requisite financial integrity, responsibility, and financial stability to participate in the proposed Massachusetts gaming project.

EXHIBIT 16

JOHN STRZEMP

IEB conducted an evaluation of the financial integrity, responsibility and stability of qualifier John Strzemp by focusing on two areas, namely his net worth statement as disclosed in his PHD filed with the Commonwealth of Massachusetts as of September 28, 2012 and through a review of his sources of income as reported in the PHD and his federal income tax returns filed for the years 2009 through 2011.

Strzemp is currently Executive Vice President and Chief Administrative Officer of **Wynn Resorts, Limited**. He also owns shares of the publicly-traded entity, **Wynn Resorts, Limited.**

[redacted]

[redacted]

In summary, the financial investigation did not establish any adverse findings or information that would indicate that John Strzemp does not possess the requisite financial integrity, responsibility, and financial stability to participate in the proposed Massachusetts gaming project.

EXHIBIT 17

ALVIN V. SHOEMAKER

IEB conducted an evaluation of the financial integrity, responsibility and stability of qualifier Alvin V. Shoemaker ("Shoemaker") by focusing on two areas, namely his net worth statement as disclosed in his PHD filed with the Commonwealth of Massachusetts as of January 9, 2013, and through a review of his sources of income as reported in the PHD and his federal income tax returns filed for the years 2009 through 2011.

Shoemaker is an outside Director and member of the Audit Committee of **Wynn Resorts, Limited** ("**Wynn Resorts")**, the parent company of **Wynn MA, LLC**, the gaming entity applicant. In addition to his Board positions with **Wynn Resorts**, Shoemaker is the Chairman of the Board of Trustees of Eisenhower Medical Center in Rancho Mirage, California, on the Board of Directors and Audit and Compensation Committees of Huntsman, and on the Board of Trustees of both Western Community Bancshares, Inc. and the University of Pennsylvania.

[redacted]

In summary, the financial investigation did not establish any adverse findings or information that would indicate that Alvin Shoemaker does not possess the requisite financial integrity, responsibility, and financial stability to participate in the proposed Massachusetts gaming project.

EXHIBIT 18

D. BOONE WAYSON

IEB conducted an evaluation of the financial integrity, responsibility and stability of qualifier Daniel Boone Wayson ("Wayson") by focusing on two areas, namely his net worth statement as disclosed in his PHD filed with the Commonwealth of Massachusetts as of February 1, 2013 and through a review of his sources of income as reported in the PHD and his income tax returns filed for the years 2009 through 2011.

Wayson is currently a member of the Board of Directors of **Wynn Resorts, Limited** ("**Wynn Resorts**"). He also owns shares of its publicly traded stock. Wayson presently serves on the Board of two closely held family entities, Wayson Properties, Inc. and Boone's Mobile Estates, though these are unrelated to his role with **Wynn Resorts**. In addition, he is an uncompensated Board member of First Annapolis Holding Corp.

[redacted]

[redacted]

In summary, the financial investigation did not establish any adverse findings or information that would indicate that Daniel Boone Wayson does not possess the requisite financial integrity, responsibility, and financial stability to participate in the proposed Massachusetts gaming project.

EXHIBIT 19

ROBERT J. MILLER

IEB conducted an evaluation of the financial integrity, responsibility and stability of qualifier Robert J. Miller ("Miller") by focusing on two areas, namely his net worth statement as disclosed in his PHD filed with the Commonwealth of Massachusetts as of March 1, 2012, and through a review of his sources of income as reported in the PHD and his federal income tax returns filed for the years 2009 through 2011.

Miller is an outside Director of **Wynn Resorts, Limited** ("**Wynn Resorts**"), the parent company of **Wynn MA, LLC**, the gaming entity applicant. Miller is an experienced and highly successful politician and businessman, including having served as the Governor of Nevada from 1989 through 1999. In addition to being a Director of **Wynn Resorts**, Miller serves on several other Boards including International Game Technology, The National Center for Missing and Exploited Children, The American Cancer Society, and Newmont Mining Corporation. Previously, Miller was on the Board of Advisors for Zen Gaming until August, 2012. In addition to serving on Boards, Miller owns and operates a consulting business.

[redacted]

[redacted]

In summary, the financial investigation did not establish any adverse findings or information that would indicate that Robert Miller does not possess the requisite financial integrity, responsibility, and financial stability to participate in the proposed Massachusetts gaming project.

EXHIBIT 20

ELAINE P. WYNN

IEB conducted an evaluation of the financial integrity, responsibility, and stability of qualifier Elaine Pascal Wynn ("Elaine Wynn") by focusing on two areas, namely her net worth statement as disclosed in her PHD filed with the Commonwealth of Massachusetts as of October 31, 2012, and through a review of her sources of income as reported in the PHD and her federal income tax returns filed for the years 2009 through 2011.

Elaine Wynn is currently a member of the Board of Directors and a significant shareholder of **Wynn Resorts, Limited** ("**Wynn Resorts**"), the parent company of **Wynn MA, LLC**. She is also on the Board of Directors of Wynn Las Vegas Capital Corporation, Wynn Resorts International, Ltd., and Wynn Resorts (Macau) Holdings, Ltd., these being related companies.

[redacted]

[redacted]

In summary, the financial investigation did not establish any adverse findings or information that would indicate that Elaine Pascal Wynn does not possess the requisite financial integrity, responsibility and financial stability to participate in the proposed Massachusetts gaming project.

EXHIBIT 21

DR. RAY R. IRANI

IEB conducted an evaluation of the financial integrity, responsibility and stability of qualifier Dr. Ray Irani ("Irani") by focusing on two areas, namely his net worth statement as prepared for the Commonwealth of Massachusetts as of June 30, 2013, and through a review of his sources of income as reported on his income tax returns filed for the years 2009 through 2011.

Irani is an outside Director of **Wynn Resorts, Limited** ("**Wynn Resorts**"), the parent company of **Wynn MA, LLC**, the gaming entity applicant. Irani is an experienced and successful businessman, having served as Chairman of the Board and Chief Executive Officer of Occidental Petroleum, Inc. for many years until May, 2011, after which he served as Executive Chairman.

[redacted]

[redacted]

In summary, the financial investigation did not establish any adverse findings or information that would indicate that Dr. Ray Irani does not possess the requisite financial integrity, responsibility, and financial stability to participate in the proposed Massachusetts gaming project.

EXHIBIT 22

J. EDWARD VIRTUE

IEB conducted an evaluation of the financial integrity, responsibility, and stability of qualifier James Edward Virtue ("Virtue") by focusing on two areas, namely his net worth statement as disclosed in his PHD filed with the Commonwealth of Massachusetts as of January 8, 2013 and through a review of his sources of income as reported in the PHD and his federal income tax returns filed for the years 2009 through 2011.

Virtue is presently a member of the Board of Directors of **Wynn Resorts, Limited**, the parent company of **Wynn MA, LLC**. In addition, he is currently the CEO and a Director of MidOcean Partners (an unrelated entity to Wynn), a Director on the Board of Right to Play, a non-profit organization, and a Trustee of Middlebury College located in Vermont.

[redacted]

[redacted]

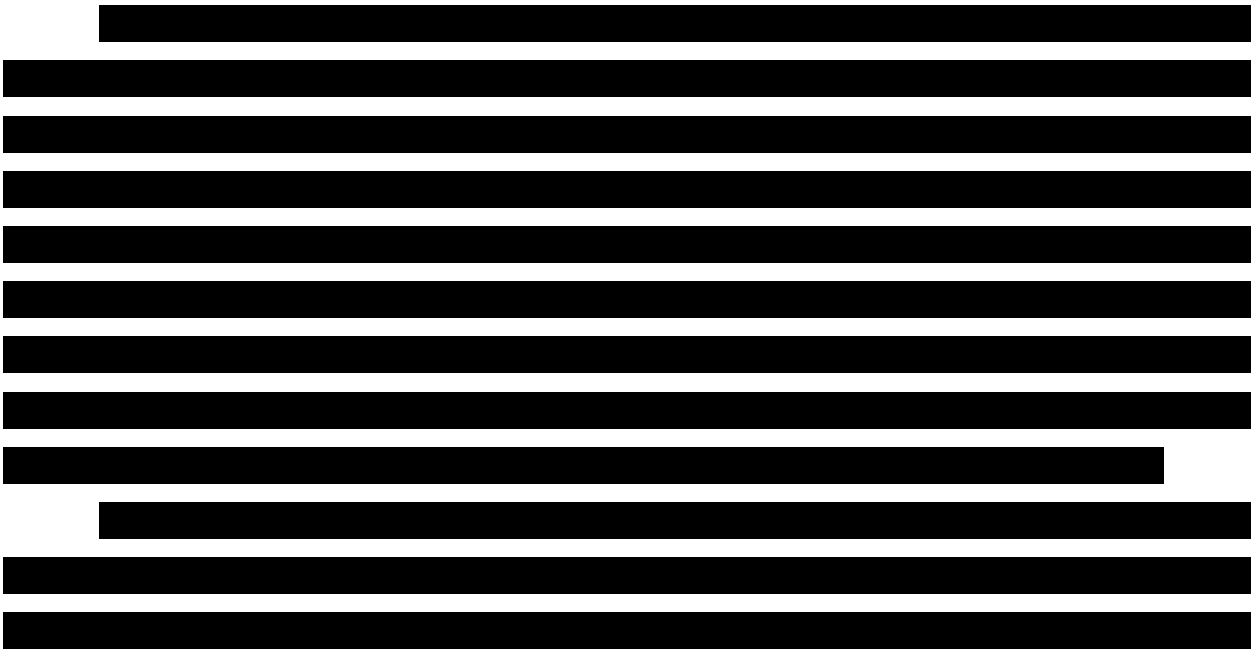
In summary, the financial investigation did not establish any adverse findings or information that would indicate that James Edward Virtue does not possess the requisite financial integrity, responsibility, and financial stability to participate in the proposed Massachusetts gaming project.

EXHIBIT 23

JOHN J. HAGENBUCH

IEB conducted an evaluation of the financial integrity, responsibility and stability of qualifier John J. Hagenbuch ("Hagenbuch") by focusing on two areas, namely his net worth statement as disclosed in his PHD filed with the Commonwealth of Massachusetts as of December 19, 2012, and through a review of his sources of income as reported in the PHD and his income tax returns filed for the years 2009 through 2011.

Hagenbuch is an outside Director of **Wynn Resorts, Limited**, the parent company of **Wynn MA, LLC**, the gaming entity applicant. Hagenbuch is a very experienced, highly successful, and wealthy businessman. In addition to his position on the Wynn board, Hagenbuch currently holds positions of Director, Chairman, Managing Member, or Trustee of several other entities including Community School, Onconome, Inc., and Jackson Street Partners, among others. Hagenbuch co-founded M&H Realty Partners in 1994, and co-founded WestLand Capital Partners, LP in 2010 where he serves as its Chairman of the Board. Hagenbuch is an active private equity investor.



[redacted]

In summary, the financial investigation did not establish any adverse findings or information that would indicate that Hagenbuch does not possess the requisite financial integrity, responsibility, and financial stability to participate in the proposed Massachusetts gaming project.