

BEFORE THE MISSOURI GAMING COMMISSION
STATE OF MISSOURI

Meeting
May 26, 2010
9:00 a.m.
Missouri Gaming Commission
3417 Knipp Drive
Jefferson City, Missouri

COMMISSIONERS PRESENT:

James L. Mathewson, Chairman
Darryl Jones
Jack L. Merritt
Barrett Hatches

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AGENDA

	Page
I. Call to Order	8: 13
II. Consideration of Minutes	
A. March 24, 2010	7: 13
B. April 20, 2010	9: 8
C. April 21, 2010	10: 2
III. Consideration of Hearing Officer Recommendations	
D. Kathleen Busch	12: 2
1. Resolution No. 10-049	
E. Tasheena Gatlin	17: 5
1. Resolution No. 10-050	
F. Melissa Plumlee	19: 19
1. Resolution No. 10-051	
G. Steven McGinnis	22: 9
1. Resolution No. 10-052	
H. Sharon Cauthon	24: 7
1. Resolution No. 10-053	
IV. Consideration of Relicensure of Class B Licensee	
I. IOC-Kansas City, Inc.	
* Presentation by Applicant	28: 16
* Presentation by City of Kansas City	38: 3
* Public Comment	
* Investigative Summary	41: 15
* MBE/WBE Compliance Review	43: 9
* Staff Recommendation	46: 4
* Resolution No. 10-054	46: 22
V. Consideration of Disciplinary Actions	
J. Ameristar Casino Kansas City, Inc.	47: 21
1. DC-10-150	
K. Chester Koch	49: 19
1. DC-10-151	
L. Donald Thiede	50: 24
1. DC-10-152	
M. Konami Gaming, Inc.	52: 4
1. DC-10-169	
N. IOC-Kansas City, Inc.	54: 11
1. DC-10-170	

AGENDA (CONT' D)

VI.	Consideration of Settlement Agreements	
	O. Harrah's Maryland Heights, LLC (DC-10-153)	56: 25
	1. Resolution No. 10-055	
	P. Harrah's North Kansas City, LLC (DC-10-154)	57: 8
	1. Resolution No. 10-056	
	Q. Harrah's North Kansas City, LLC (DC-10-155)	57: 17
	1. Resolution No. 10-057	
VII.	Consideration of Relicensure of Certain Suppliers	
	R. Paltronics, Incorporated	59: 24
	1. Resolution No. 10-058	
	S. IGT	60: 21
	1. Resolution No. 10-059	
VIII.	Consideration of Licensure of Supplier	
	T. JCM America Corporation	61: 25
	1. Resolution No. 10-060	
	2. Resolution No. 10-061	
IX.	Consideration of Licensure of Certain Level I/Key Applicants	
	U. Resolution No. 10-062	65: 25
X.	Consideration of Waiver of Licensure for Institutional Investor	
	V. Fidelity Management Research Company	68: 9
	1. Resolution No. 10-1063	
	W. Summit Partners, LP	
	1. Resolution No. 10-064	
	X. Wells Capital Management, Inc.	
	1. Resolution No. 10-065	
	Y. BlackRock, Inc.	
	1. Resolution No. 10-066	
XI.	Consideration of Rulemaking	
	Z. Proposed Rule	75: 13
	1. 11 CSR 45-9.115 - Minimum Internal Control Standards Section 0	
XII.	New Business	78: 18
XIII.	Old Business	

AGENDA (CONT' D)

XIV.	Motion for Closed Meeting under Sections 313.847 and 610.021(1), (11) and (14)	80: 6
XV.	Motion to Open Meeting	81: 4
XVI.	Report on Pre-Application Conference	
XVII.	Consideration of Application Timeframe	81: 21
XVIII.	Adjournment	89: 25

P R O C E E D I N G S

CHAIRMAN MATHEWSON: Good morning everyone. Nice to have everyone here this morning. Thank you for coming. And thank all of you that contributed to the air conditioning fund. It feels pretty darn good in here, doesn't it? Really good.

It's good to have everybody here. We're going to get started. But first of all, let me take the pleasure of introducing our new members to all of you. You probably know about that, but we are happy to have both of these people with us today. I'm extremely impressed with their backgrounds and I think if you haven't read them, you will be too.

So with that, to my right is Barrett Hatches. Barrett is an executive with multi-national companies. And I mean you can tell by looking at him, he's been around for a little while.

MR. MCNARY: Get used to it, Commissioner.

CHAIRMAN MATHEWSON: Get used to it because I'm going to do that all the time sort of deal. So Barrett's from -- do you call it Platte City or what is that place?

COMMISSIONER HATCHES: Yeah, Platte City.

CHAIRMAN MATHEWSON: Platte City up north of Kansas City. So welcome, Barrett. It's nice to have you with us.

COMMISSIONER HATCHES: Thank you.

CHAIRMAN MATHEWSON: Also Jack Merritt. Jack is from Republic, Missouri. And Jack is a former highway patrol, former sheriff. He now joins the rank of people like me who is former, former, former former, you know. Lots of former in there.

So, Jack, welcome. Nice to have you, sir.

COMMISSIONER MERRITT: Thank you very much. And it's nice to be the youngest one on the Commission.

MR. MCNARY: He's going to fit right in.

CHAIRMAN MATHEWSON: That's going to work, particularly as it relates to you. And, of course, my brother from St. Louis, Darryl Jones is still a member. And so we look to him for his leadership since he's -- has some experience.

Noel Shull is still on the Commission, but Noel had some further extensive surgery just recently so he's unable to be with us today. But he's going to return. He tells me that he will. So

COMMISSIONER JONES: Mr. Chairman, can I

say something? I want to welcome the new commissioners. And as I look around, there's a lot of gray hair sitting up here so --

CHAIRMAN MATHEWSON: Former, former.

COMMISSIONER JONES: Right. So I think there's a lot of experience and I'm happy to serve with Barrett and Jack. So thank you guys for joining us.

COMMISSIONER HATCHES: Thank you.

COMMISSIONER MERRITT: Thank you.

CHAIRMAN MATHEWSON: Thank you very much, Darryl.

Okay. With that, let us move forward. And first thing we have is consideration of minutes from the March 24th meeting. We're -- we're

MR. MCNARY: We need to take a roll.

CHAIRMAN MATHEWSON: Yeah. We're going to go ahead and do that. I think that's probably -- counsel tells me that's perfectly appropriate. So would you call the roll on the minutes from the March 24th meeting, please?

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: I approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

MS. FRANKS: By your vote, you've adopted the March 24th meeting minutes.

CHAIRMAN MATHEWSON: Thank you. I think just so --

COMMISSIONER MERRITT: Do we --
Mr. Chairman, do we need a roll call?

COMMISSIONER JONES: Yeah. We need to open the meeting with the roll.

CHAIRMAN MATHEWSON: I'm sorry. We should have done that. We're opening up this meeting.

MR. MCNARY: Call the meeting to order.

CHAIRMAN MATHEWSON: I just did. You want a roll call and calling it to order? Oh, you sit over there. Okay. Call the roll. I'm opening the meeting.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Senate never did it this way.

Approve.

MS. FRANKS: Commissioner Shull.

(No response.)

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Here.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Here.

CHAIRMAN MATHEWSON: Okay. Good. Now we're here and now we've just voted.

Now we need to approve the minutes from April 20th, 2010. Any discussion? Call the roll, please.

MS. FRANKS: Should we get a motion?

COMMISSIONER JONES: Move to approve the minutes from April 20th.

CHAIRMAN MATHEWSON: No, I already made it. Go ahead. I'm kidding. I'll second. Call the roll, please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

MS. FRANKS: By your vote, you've adopted the April 20th, 2010 minutes.

CHAIRMAN MATHEWSON: Okay. All right. Now, we also have the April 21st, 2010 minutes. Do I have a motion to approve those?

COMMISSIONER MERRITT: So moved.

COMMISSIONER JONES: Second.

CHAIRMAN MATHEWSON: Call the roll, please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

MS. FRANKS: By your vote, you've adopted the minutes of the April 21st, 2010 meeting.

CHAIRMAN MATHEWSON: Okay. Ange, it's good to have you back.

MS. FRANKS: Thank you.

CHAIRMAN MATHEWSON: Gene, I don't know whether it's good to have you back or not. We've had a lot of surgery around this place. You know, Angie

had back surgery and thank goodness she's back and doing well, she says. Gene had some surgery on his hand. He's now got a straight hand, which is kind of rare. But -- where's Roger? Oh, Roger went out for his doctor's appointment, didn't he?

MR. MCNARY: He's still here.

CHAIRMAN MATHEWSON: Oh, he's still here. You're going to have to slip off pretty soon for your doctor's appointment though, aren't you? I don't know about hanging around here. You new guys -- it's just the people that get paid seem to have the problem. I don't know. The rest of us don't seem to have a problem.

Okay. Here we go. Mr. Director.

MR. MCNARY: Mr. Chairman and Commissioners, let me say -- add my and the staff's congratulations to the new Commissioners Hatches and Merritt.

COMMISSIONER MERRITT: Thank you.

MR. MCNARY: We appreciate your service. At these high salaries, you know, we expect a lot out of you.

Item III on the agenda, Mr. Chairman, is hearing officer recommendations by Counselor Stephen Stark. Steve.

MR. STARK: Thank you and good morning, Commissioners.

On the agenda, the first case for consideration is Item D, Kathleen Busch. Ms. Busch is a holder of a Level II occupational license.

On the date of April 4th, 2009, she was working at her job at the casino as a table games supervisor. She was observing a particular patron for possible intoxication. She informed her supervisor that this gentleman needed to be observed for possible intoxication. Other employees in the casino also were making the same observations.

On that same date of April 4th, 2009, a security guard came to approach the gaming floor to escort the intoxicated patron from the games. However, Ms. Busch indicated to the security officer that the gentleman was the player in this particular game, the holder of the dice, and that we should wait until he is finished playing before you escort him off the floor.

Apparently the security officer also received communication from surveillance that the standard practice would be to let the game finish before taking the patron off the floor, even though intoxicated.

However, the law is written such that a casino and its licensees need to maintain the gaming floor in an orderly fashion, which specifically includes preventing intoxicated persons from participating in gambling. So the Commission has alleged that Ms. Busch allowed a patron who was visibly intoxicated to continue gambling.

And the facts presented at the hearing and my conclusion was that indeed the patron was intoxicated, necessitating removal, and immediate removal at that. But Ms. Busch did not enforce that particular rule assisting in removing the patron from the game, allowing the patron to continue to gamble as an intoxicated patron.

Ms. Busch offered her testimony. Her defense was that she really wasn't sure he was actually intoxicated. She explained that a lot of elderly people -- and this gentleman was elderly -- do have physical problems, they tend to lose their balance, they may have difficulty walking, they may be taking medication.

And then secondly, she said that it was the standard practice to allow the patron who was the shooter, the gentleman with the dice in this particular game, to continue to play and finish the

game; otherwise, the integrity of the game would be hampered.

In reading the particular regulations that the Commission has, I did not find that to be a valid defense and have concluded and my recommendation is that the discipline proposed by the Commission of a two calendar day suspension is appropriate and should be imposed.

CHAIRMAN MATHEWSON: Any questions? Is Ms. Busch here today? No. Okay.

COMMISSIONER JONES: Question: Mr. Stark, so am I to understand after reading this, the standard practice is in conflict with the written law?

MR. STARK: The standard practice as stated by Ms. Busch. I didn't see anything in writing that indicated that was indeed a standard practice or a rule or anything.

COMMISSIONER JONES: You had surveillance to concur with her. Right? Surveillance saying that is the standard practice of waiting until the game -- waiting I guess until the game is over before you escort the patron off?

MR. STARK: There was a second employee who was in surveillance and I guess communicated to

the security officer I guess via earpiece that, Wait until he finishes his game. So yeah, there were two employees at this particular place that said, Wait until he finishes the game.

But I -- again, calling it a standard practice, I did not find that to be true.

COMMISSIONER JONES: Okay.

CHAIRMAN MATHEWSON: You ever had a case similar to this one before that you remember?

MR. STARK: I mean there's been intoxicated patron cases.

CHAIRMAN MATHEWSON: Well, sure.

MR. STARK: But not in the middle of a game like this. No, I don't think I have.

CHAIRMAN MATHEWSON: Are we setting a precedent here that we're comfortable with, in your opinion?

MR. STARK: Well, in reading your laws, yes. I think you're saying that the orderly nature of the gaming floor has to be -- take precedence over allowing someone to finish their game. I suppose the integrity of the game could be compromised depending on at which point of the game you're at.

CHAIRMAN MATHEWSON: To define integrity of a game is a kind of a broad base really, isn't it?

I understand that. However, I suspect -- I suspect, having stood at a craps table before in my life, earlier of course in my life, but you know, there was probably -- if there were other people at that game, they probably were upset that they were going to change that game. I mean it's a thing. Okay? I mean it just is.

MR. STARK: Sure. There is a balancing act here.

CHAIRMAN MATHEWSON: Somebody touching the dice or whatever. You know? It's a thing. I mean you just -- you don't do that.

Okay. Chair would accept a motion to accept the recommendation of staff.

COMMISSIONER HATCHES: So moved.

CHAIRMAN MATHEWSON: Is there a second?

COMMISSIONER JONES: Second.

CHAIRMAN MATHEWSON: Call the roll, please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

MS. FRANKS: By your vote, you've adopted Resolution No. 10-049.

CHAIRMAN MATHEWSON: Next, please.

MR. STARK: Our next item, letter E, Tasheena Gatlin. Ms. Gatlin made an application to the Commission applying for a Level II gaming license. As part of the application process, there's a question that asked, Have you ever been arrested, detained, charged, convicted of any crime.

She gave a response to that particular question of yes, disclosing two offenses: Larceny with a conviction and sentence of one year of unsupervised probation; and secondly domestic violence, having been dismissed.

As part of the application process, the Commissioners' investigator does conduct an investigation as to suitability for employment in the gaming industry for this particular applicant. And it was confirmed that Ms. Gatlin was convicted of larceny occurring on June 23rd, 2009 and the value of the items taken was less than \$50.

However, the Commission has two particular regulations that apply to this case.

First, the Commission, in its discretion, may refuse an occupational license to anyone who has been convicted of a crime.

Secondly, and this is more important, is that any criminal conviction related to a gaming-related offense or any offense that is -- has an essential element of which is theft, fraud or dishonesty creates a mandatory denial of a license for that individual if that particular conviction of the crime occurred within five years of the application.

This particular criminal conviction occurred within five years, being June of 2009, and therefore, the action of the Commission to deny the application to Ms. Gatlin is appropriate.

Also, Ms. Gatlin made the request for the hearing, but she failed to appear at the hearing even though being duly advised, having been sent a certified letter giving her the place, time of the hearing. And another regulation that the Commission has is that if you don't show up for your own hearing, it's considered an admission of the facts as alleged.

Therefore, my recommendation is that it's appropriate to deny Ms. Gatlin her application to obtain an occupational license.

CHAIRMAN MATHEWSON: Thank you.

Ms. Gatlin here?

(No response.)

CHAIRMAN MATHEWSON: Okay. Chair would accept a motion to support the recommendation.

COMMISSIONER MERRITT: So moved.

COMMISSIONER HATCHES: Second.

CHAIRMAN MATHEWSON: Any discussion?

Call the roll, Angie, please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

MS. FRANKS: By your vote, you've adopted Resolution No. 10-050.

MR. STARK: Our next case item letter F, Melissa Plumlee. Ms. Plumlee made application to obtain a Level II occupational license for employment in the gaming industry. Again, the application process requires answering a question related to being either arrested, detained, charged, convicted of any criminal offense. Ms. Plumlee did answer that

question with a yes, disclosing two offenses; one being driving while suspended, and the second being larceny under \$200.

The application process further informs the applicant that there is a notice of duty to disclose any arrests or conviction. Not only the application question but a separate form is provided to the applicant and there are examples given as to what is meant by arrest and convictions. And that particular form actually says, and I quote, Taken to the police station, held for questioning. Those are examples of what an arrest is.

The Gaming Commission conducted its investigation and in its investigation it found another offense for which Ms. Plumlee did not disclose. That offense was an arrest on July 2nd, 1990 for an attempt of commercial burglary.

Her failure to disclose that gives grounds, according to the Commission's regulations, to be able to refuse an occupational license when information that's called for in the application is not provided.

Ms. Plumlee testified on her own behalf, explaining the particular incident of the arrest for the commercial burglary. She indicated -- and I think

credibly -- that she didn't think that she was actually arrested. She said that she was taken to the police station for questioning, they actually did fingerprint her and they let her go without any charges, without any paperwork being done.

So she just concluded that that was not an arrest, but merely a questioning by the police regarding a potential burglary case. So she didn't consider that to be an arrest.

But looking back at the paperwork, questioning by the police, taken to the police station, those things are part of the definition of an arrest. And my conclusion and my recommendation is that it is appropriate to deny Ms. Plumlee an occupational license for her failure to fully disclose her criminal record in the application process.

CHAIRMAN MATHEWSON: Ms. Plumlee here?

(No response.)

CHAIRMAN MATHEWSON: Thank you. Chair would accept a motion to support the recommendation.

COMMISSIONER HATCHES: So moved.

COMMISSIONER JONES: Second.

CHAIRMAN MATHEWSON: Any discussion?

Call the roll, Angie, please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

MS. FRANKS: By your vote, you've adopted Resolution No. 10-051.

MR. STARK: Our next case, Item G, Steven McGinnis. Mr. McGinnis is a holder of a license -- occupational license already issued by the Commission. On January -- let's see, excuse me.

On May 1st, 2009, Mr. McGinnis was arrested for an alleged misdemeanor crime, criminal offense of stealing. Then on November 2009, Mr. McGinnis pled guilty to the municipal ordinance violation of taking property of another with the intent to deprive the owner of its use. He received a suspended imposition of sentence, placed on probation for 12 months.

Part of the duty of a licensee is to report within 10 days any change in information that is placed upon their initial application. The application process does ask for your criminal

history, whether it's arrest or conviction.

Mr. McGinnis did not report within ten days after May 1st, 2009 of his arrest. He did not report within ten days of November 19th, 2009 of his guilty plea to the criminal offense of taking property of another.

And furthermore, he requested a hearing but did not show up for the hearing even though duly notified of the time and place of his hearing, which gives the Commission the ability to deem the allegations to be admitted by the petitioner; therefore, the evidence clearly shows that the Commission has the authority to revoke Mr. McGinnis's license for his failure to report his criminal offense.

CHAIRMAN MATHEWSON: Mr. McGinnis here?

(No response.)

CHAIRMAN MATHEWSON: Chair would accept a motion to approve the recommendation of staff.

COMMISSIONER MERRITT: So moved.

COMMISSIONER JONES: Second.

CHAIRMAN MATHEWSON: Any discussion?
Call the roll, Angie, please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

MS. FRANKS: By your vote, you've adopted Resolution No. 10-052.

MR. STARK: Our next case is item letter H, Sharon Cauthon. Ms. Cauthon is a holder of a Level II occupational license. She works at her job as a card dealer. And on August 2nd, 2009, while serving as a card dealer, she was retrieving the playing cards from the machine that shuffles the cards, but this particular time one card remained in this shuffle machine.

The machine has a lighting system that is green and red. And when it shows red, there's something wrong with the cards or with the -- with the machine that should alert the dealer to investigate. Again, one card was stuck in the machine but Ms. Cauthon continued to deal cards to the players, playing with a set of cards missing one card.

A supervisor -- supervisor noticed the card machine -- the shuffle machine having a red light and instructed Ms. Cauthon to stop the card dealing,

but the supervisor left the particular area and Ms. Cauthon continued to deal another round of the cards even though the card shuffle machine still had its red light on.

Each casino is required to have internal control standards. The Commission has standards that it publishes and the casinos use those particular internal control standards to create their own internal control standards. And this particular casino did have an internal control standard that said that the full deck of cards -- a 52-card deck has to be used in any gaming activity with a card game.

In this particular situation, Ms. Cauthon was present at the hearing and she explained that there were actually six decks of cards used in this particular game that were being shuffled in this shuffle machine. So her defense was that one card missing given the fact that there were six decks of cards would not adversely impact the integrity of the game.

Furthermore, the card -- cards are cut such that a certain number of cards are never used for that particular game so there's going to be cards not used **anyway**. So her position is that missing one card does not violate anything with regard to a card

dealing game.

Also, she said that she thought that the light was green when she first took the cards away and apparently didn't see the red light. And so a little bit of blame on the machine itself is I think what her defense is.

However, based on the evidence presented, Ms. Cauthon did not meet her burden of proof, which actually is a very high burden of proof of clear and convincing evidence, that she should not be disciplined. My recommendation is that indeed she violated the internal control standards and should be disciplined. And the proposed discipline of one calendar day is appropriate and that would be my recommendation.

CHAIRMAN MATHEWSON: Ms. Cauthon here?

No.

(No response.)

CHAIRMAN MATHEWSON: Any questions on this? Chair would accept a motion to support a recommendation of staff.

COMMISSIONER HATCHES: So moved.

COMMISSIONER JONES: Second.

CHAIRMAN MATHEWSON: Any discussion?

Call the roll, Angie, please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

MS. FRANKS: By your vote, you've adopted Resolution No. 10-053.

MR. STARK: That is the conclusion of all my cases. Appreciate your time. Thank you.

CHAIRMAN MATHEWSON: Thank you, sir.

MR. MCNARY: Mr. Chairman, Item IV on the agenda concerns relicensure of a Class B licensee, which is Isle of Capri-Kansas City. And counsel for Isle of Capri, Tom Campbell, and general manager, Paul Avery, will make a presentation.

CHAIRMAN MATHEWSON: Morning gentlemen.

MR. CAMPBELL: Good morning Mr. Chairman, Commissioners, Director McNary. My name's Tom Campbell with the St. Louis law firm of Gallop, Johnson and Neuman, which serves as regulatory counsel in Missouri for the Isle of Capri casinos, a Class A licensee headquartered in Missouri, as well as its

Missouri subsidiaries, including IOG-Kansas City.

We are here before you today to make a presentation and offer testimony in support of the renewal of the Class B license, which is currently held by IOG-Kansas City, Inc.

Before asking Mr. Avery to make the presentation, I would like to draw your attention to an individual from corporate headquarters, Elizabeth Tranchina, who is vice president of legal affairs is here with us today.

CHAIRMAN MATHEWSON: Morning.

MR. CAMPBELL: At this point I'd like to introduce to you Mr. Paul Avery, who is the general manager of the Kansas City casino and let him make the presentation.

CHAIRMAN MATHEWSON: Morning.

MR. AVERY: Good morning, Commissioners. How are you? I'm going to go through a presentation. You also have a handout that we provided to you as well. If it's okay before I start the presentation, I'd like to recognize some of my team who have come along with us.

We have Chris Stevenson, our director of operations; we have Jean Hanson, who's senior director of finance; we have Phillip Cooper, who is our

business compliance officer. His sole job at the property is the management and promotion of our minority and women's program. We have Cheyenne Whitaker, who's our regulatory compliance officer; we have Debra Jenkins, who's our senior director of marketing; and helping me with the PowerPoint up here is Jim Langin, he's our director of human resources.

CHAIRMAN MATHEWSON: Welcome all of you. Proceed, please.

MR. AVERY: Thank you for having us. We're going to go through the presentation. I will go through -- if you ask questions as we go, I'll be happy to stop and answer them; otherwise, I'll just continue to go through the slides. Oh, I'm sorry.

Onsite also if I could recognize who's going to be speaking on behalf of the home port is Vincent Gauthier, the executive director of the Port Commission of Kansas City. Okay. Thanks.

We are, as we said, our landlords -- we are tenants for the Port Authority of Kansas City. We're in compliance with its terms. Vincent, who will be speaking after I complete, will expound on that relationship.

Our adjusted gross revenue: As you're well aware of the bridge that we sit right next to,

the Paseo Bridge, the construction when we planned out -- and just for informational purposes, our fiscal year runs May to April. It's a little different than most companies. So our fiscal year kind of ran into when the bridge was beginning its construction process.

We weren't sure of the impact, but as you can see, our actual revenues did not slip too far off of the previous year and we exceeded our projections quite well. In FY-10 we were right in line with projections. And currently May being the first year -- first month of our new fiscal year, we're projecting a slight increase in our revenues. So we've held and maintained well during bridge construction and look forward to October of 2011 when the bridge construction is completed.

Admissions, they kind of correlate with the revenue. Same thing, we projected a low amount when we were going into the construction. We exceeded that. We've maintained relatively flat admissions and project a slight increase in correlation of revenue for the year coming up.

Capital investment: As you can see, in FY-09 we've put a lot of money into our new gaming product, \$3 million. And it was about that time the

credit markets and everything started to slip and fall. FY-10 we pulled back slightly on our capital investment, but this year we are looking to double our capital investment into the property. Most of that, again, will be onto the slot product and improving the floor as we have a -- quite a few old machines on the floor that we're trying to replace.

Employment: Going back to the -- again, the projections from the bridge construction, we projected a low employment but we were able -- because our revenues and admissions stayed steady, we were able to maintain. As you can see, our FTE count did not -- has not changed and we do not anticipate it changing tremendously between FY-09/10 and moving into FY-11.

Hiring practices: We -- as you can read, we are -- we are an equal opportunity employee. I think the statistics will bear that out on the next page. In the city of Kansas City, minorities make up 43 percent of the population; however at our property, our employment staff is 51.2 percent minority. 51.7 in the city and we are at 47.1.

Can you back up one second? One thing also I think it's worth noting out is though we are very close to the border of Kansas, we have been able

to maintain almost an 85 percent employment of Missouri residents. As you can see, the increase in unemployment rate in Jackson County and Missouri, I think this emphasizes that we have been able to hold steady with our employment despite the unemployment rate rising.

Vendor diversity: During the calendar years we've spent 2.3 million on minority- and women-owned vendors, which is over 12 percent of our eligible spend. And we currently have over 20 minority and women-owned businesses that now provide regular or standardized services for us each month.

Just some information on the crime rate. Crime rate actually declined in '08 to '09 in all three; Jackson, Clay and Platte.

Problem gaming: We take very serious, not only our property, but the corporation takes very serious the disassociated patrons program. And we've listed out some of the things that we do. We have training for all of our team members every year. We are, through the Gaming Association, a member of the Curb Problem Gaming Alliance and we promote the DAP program. Not only by if you're self-excluded in the state of Missouri, we exclude you through all our

properties throughout the country.

But most importantly, I think, we've implemented a bounty hunter program where we reward our team members if they are able to identify a disassociated patron.

Here are the ways we associate or we try to identify them: We have the player tracking system. Any time there's a jackpot, we cross-reference; any time they try to cash a check at the cage, we cross-reference; any time they try to go to our Players Club and they use their card, we cross-reference to see if they're a DAP player.

Similar to the DAP program, underage gaming is something I know that you take very serious. We take it very serious as well. In order to try to eliminate or prevent underage gaming, we have an electronic identification system that we run our IDs through. We do underage training.

But again, I think one of our biggest proponents in order to control underage gaming is the bounty hunter program. We reward our team members for trying to find them and keep them off the floor. As you can see, we've spent \$17,600 in paying out. Gladly pay it out to the team members if they can identify underage gamblers. And we've done it from

January through April.

Just a statistic for you on how the businesses are doing in the city of Kansas City. This came from the county department at the city. We've had -- in the last two years 5 percent have opened and we've had 13 percent closures. So hope that will turn around soon.

Onto our charitable contributions. We're proud that we spend most of our money within the city of Kansas City; and if not within the city, at least within the state. We've donated \$262,000, as you can see. The Isle -- not only again the property, but **the corporation** promotes being good stewards in the community.

And here's a list of some of the areas of where we volunteer: Habitat for Humanity, Don Bosco, **The Harvester** Food Pantry, and **then** we do variable runs and walks. Team members have put in, as you can see, almost 900 hours of volunteer time. And that's just three of our team members who happened to be working on a Habitat for Humanity house.

And finally, just to express our mission statement, which holds true, we're committed to being the best gaming entertainment company in our market for its employees, communities, guests and investors.

And that concludes our presentation. Certainly we'll entertain any questions you may have.

CHAIRMAN MATHEWSON: You know, I was -- I don't get up the highway there very often, but last time we were up there and visited with you a couple months ago or whatever it was, three months ago or something, that's amazing that you've been able -- you must have really done some excellent marketing to be able -- with that bridge situation the way that's been, that you all have even stayed close, you know, to your projections and stayed close to your overall income stream, I mean that's -- man, you got to want to get there, don't you?

MR. AVERY: You do. It's hard -- I've just come to that property in November so it's the general manager before me, but certainly I know he would stand here and tell you it's a team effort. They do a good job. Marketing pushes and we try to get them in the door. So yes, it's been a blessing to have stayed at that level.

CHAIRMAN MATHEWSON: Your experience now since November when you came, is -- the highway department was working good with you as far as they could go --

MR. AVERY: Yes.

CHAIRMAN MATHEWSON: -- to try to keep folks coming down that --

MR. AVERY: The exit ramp.

CHAIRMAN MATHEWSON: -- off the highway. Are they still working good with you?

MR. AVERY: Yes. We have a good relationship with MDot and KCI CON, the construction company. We meet with them, it's a good relationship. We've had no problems with that.

CHAIRMAN MATHEWSON: So the goal is now October, huh?

MR. AVERY: That's the published goal that I'm being told. I would assume a construction company might try to finish a little earlier.

CHAIRMAN MATHEWSON: Let's hope they do. One thing about it, the last two or three days they had good weather. Up to that time they didn't have good weather for a long time. So any questions or comments of the --

MR. MCNARY: Mr. Chairman, let me say, especially for the new commissioners, this is -- there are four casinos in the Kansas City area and this is the smallest of the four, but probably with the greatest upside potential because it is the closest to downtown Kansas City and can take advantage of

conferences and conventions once the bridge is finished.

I ask this question every time I see you. Is there any projection as to capital improvements, a hotel or other capital improvements after that bridge is concluded?

MR. AVERY: I would certainly have to defer that to our development team at corporate. I'm sure they would take into consideration the Kansas Speedway, the effect of that casino, and possibly the location of the 13th license before they would make any decisions, but I would defer to Paul Keller and Virginia on that question.

MR. MCNARY: Well, that's a very diplomatic answer.

CHAIRMAN MATHEWSON: I bet that's how you got to be general manager right there. In all my years in public life I wish I could have answered questions just like that.

MR. AVERY: I'm just an accountant, sir.

CHAIRMAN MATHEWSON: Thank you. Any more questions or comments? Why don't you have whoever's following you come forward, if you would, please.

MR. AVERY: That's Vincent.

CHAIRMAN MATHEWSON: Thank you very much.

Good to see you again.

MR. AVERY: You too.

MR. GAUTHIER: Chairman Mathewson, members of the Commission, Mr. McNary, I'd like to say on behalf of the Port Authority of Kansas City, we're thrilled with our partnership with the folks from Isle of Capri.

The bridge has had a significant impact, but I think right now we're seeing that the impact's been positive. We look at that future site as being probably the single biggest development opportunity for the entire Kansas City Metro area. You're talking about the single largest physical asset in the Missouri River adjacent to the central business district and the two most authentic neighborhoods in Kansas City, Columbus Park and the River Market -- some of you all may remember it as the River Key.

There's an incredible opportunity in that this is single ownership land of over 100 acres. And, frankly, we have one major anchor and that's Isle of Capri on the far east side.

We met yesterday with the folks that Mr. Avery so eloquently deferred to, both the president and the director of development for the Isle of Capri. And it is my understanding that with the

considerations he mentioned that I'll refer to later with regard to KCK and the 13th license, this is a very high priority for them because of the **critical** nature of this site and, frankly, what you said; it's all about upside. This is a tremendous opportunity.

So that said, I want to let you all know that we work with these folks basically on a daily basis. We're working diligently with them with the MBE and WBE needs of the community. Specifically these folks under Paul and Phil Cooper have reached out to the community, have done recent vendor meetings where they have gone out and made the special effort to bring folks in to let them understand what actual products and services are needed. This is something I think has been needed for a long time and it's working.

The -- let's see. We believe that they are a strong partner in the philanthropic community with us. They have supported our largest event down on the riverfront for a number of years and are back again this year with the Kansas City River Fest and welcome you all to come. It's the City of Kansas City's Fourth of July celebration. We had 50,000 people down there and I think one or two of them may have gone over to your side. I hope they do. I've

been encouraging them to do so.

We believe that the Isle is going to be a major player in Kansas City for a number of years to come. We believe that it -- once the infrastructure is completed -- and we talked to them about this yesterday, we believe the Port Authority needs to partner with them to make sure they have all the infrastructure that they need to move forward and expand as necessary.

And in that regard, I just wanted to say that the Port Authority's Board of Commissioners feels very strongly that the -- with the new casino coming into Kansas City, Kansas as well as the current situation in the market in Kansas City, we believe it's saturated.

And we want you to recognize hopefully that fact and hopefully we can keep both the Isle of Capri and Ameristar strong because, frankly, that's what keeps the Port Authority alive. So that's my two cents. And thank you for letting me share that last bit with you. Thank you.

CHAIRMAN MATHEWSON: Any questions?
Thank you, sir. Thanks for coming down.

MR. GAUTHIER: Thank you. Love it here.

CHAIRMAN MATHEWSON: You can move down

here if you want to.

MR. GAUTHIER: My job won't allow it.

CHAIRMAN MATHEWSON: Move to Sedalia and buy a big house. We need the business.

Next?

MR. MCNARY: We've got public comment.

CHAIRMAN MATHEWSON: Any public have a comment?

(No response.)

CHAIRMAN MATHEWSON: I guess that's good.

MR. MCNARY: Mr. Chairman, the investigative summary will be presented by Corporal Mike Arand.

CHAIRMAN MATHEWSON: Morning, sir.

CORPORAL ARAND: Good morning, Mr. Chairman, Commissioners. An investigative -- excuse me. An investigation was conducted by the Jefferson City background team of Isle of Capri-Kansas City, Incorporated regarding renewal of their Class B Riverboat Gaming License.

IOC-Kansas City was incorporated in the state of Missouri on February 17th, 2000. On June 6th, 2000, they were granted a Class A gaming license by the Missouri Gaming Commission for the purpose of operating a riverboat gambling operation in

Kansas City, Missouri.

Criminal and financial background checks are conducted annually on IOC-Kansas City key and Level I personnel. No discrepancies or concerns have been noted.

The City of Kansas City and Jackson County officials were contacted regarding any concerns with the operation of IOC-Kansas City. There were no issues, concerns or negative information discovered.

The Missouri Department of Natural Resources and Missouri Department of Health, as well as ABS Consulting, Incorporated were contacted regarding concerns with the IOC-Kansas City operation. Some minor issues were noted with respect to the ABS annual survey; however, those issues have been addressed by the IOC-KC staff and have since been resolved.

The results of this investigation I believe have been provided for you. They were provided to the Gaming Commission staff for their review and should be before you now. Thank you, unless you have any questions.

CHAIRMAN MATHEWSON: Anybody have any questions on the investigative summary?

(No response.)

CHAIRMAN MATHEWSON: Thank you, sir.

CORPORAL ARAND: Thank you.

MR. MCNARY: Next item, Mr. Chairman, as you know, we're doing an audit each time there's a relicensure as to minority and women business participation. And Frank Jung and Alden Hendrickson will -- are you going to go up or is Frank going to do it? Frank will address it.

MR. JUNG: Morning Chairman, Commissioners. I'm pinch hitting here for John Nathan since he's out. So I'll be presenting the MBE/WBE.

CHAIRMAN MATHEWSON: Is he okay?

MR. JUNG: Yes, he's fine. He had a --

MR. MCNARY: Hip replacement. He's stretching it out.

COMMISSIONER JONES: We're all falling apart.

CHAIRMAN MATHEWSON: Let me tell you something. I'm glad I don't make the big money.

MR. JUNG: We have spare parts.

CHAIRMAN MATHEWSON: Go ahead, Frank. I'm glad to see you're healthy, I guess.

MR. JUNG: You'll find the MBE/WBE audit inside your binders. As you know, we -- this is only the second audit we have conducted since the

Commission approved to have audits with the renewal of licenses. In this audit we also allowed, as part of the audit report, Isle of Capri's response. And you'll find their response attached to the back of the audit itself. It's outlining their response to the findings.

As you know also, what we're trying to do is set up a baseline. This will show us a baseline of where each casino's at. And the next time they come up for license renewal, we'll know whether the deviation of the baseline is up or down. So this allows us to establish where they're at at this point and go from that baseline to determine how they're progressing. And I'll be happy to answer any questions that you may have about the report.

CHAIRMAN MATHEWSON: Any questions for Frank?

COMMISSIONER JONES: Well, I don't have a question of you, Frank, but I'd just like to commend Mr. Avery and your team and Phil. Going through the summary, to increase your participation 175 percent -- and if I'm not mistaken, you went from using 8 vendors to 20-plus vendors and I'd like to commend you on that.

And this is what this is all about,

having more minorities and women participate in the development process of -- of gaming. So thank you guys.

MR. JUNG: Thank you.

CHAIRMAN MATHEWSON: Any other comments, questions?

MR. MCNARY: Let me say, Commissioner Jones that Vincent Gauthier with the Port Authority, I saw him just give a thumbs up. And Alden and I met with the Port Authority and that's one of their major objectives as well. So, you know, we're on the same team.

COMMISSIONER JONES: That's great.

CHAIRMAN MATHEWSON: Let me just add to that. I leaned over and told the Commissioner before his comment there a while ago about he can take a lot of credit for his time here of pushing for that program and it's worked.

I compliment you, but I compliment everyone in the industry that's really got on board with that. And I compliment the Commissioner for pushing for it and take a lot of pride in that. I appreciate the staff for supporting that all the way. I'm sorry John Nathan couldn't be here, you know, this morning to hear the accolades.

So thank you, Frank. You got anything else, Frank?

MR. JUNG: Nothing else.

MR. MCNARY: Mr. Chairman, staff recommends relicensure of Isle of Capri-Kansas City.

CHAIRMAN MATHEWSON: Any discussion? Chair would accept a motion to recommend support of Resolution No. 10-054, the relicensure.

COMMISSIONER JONES: Move for the acceptance of Resolution No. 10-054.

COMMISSIONER HATCHES: Second.

CHAIRMAN MATHEWSON: Any discussion? Call the roll, please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

MS. FRANKS: By your vote, you've adopted Resolution No. 10-054.

CHAIRMAN MATHEWSON: Mr. McNary.

MR. MCNARY: Mr. Chairman, Item V

concerns disciplinary actions and Tabs J, K and L were tabled at the last meeting and by majority vote should be taken off the table.

COMMISSIONER JONES: Mr. Chairman, I'd like to make a motion to remove Items J, K and L from the -- from the table -- from the table.

CHAIRMAN MATHEWSON: I second that. Call the roll on moving that off the table back before the Commission, please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

CHAIRMAN MATHEWSON: It is now -- J, K and L is back before the Commission for consideration. Mr. McNary.

MR. MCNARY: Tab J concerns Ameristar-Kansas City; a serious matter involving an investigation with reference to illegal drug usage within the security department. It was reported two security shift managers were using cocaine and had

done so on property. Security director Don Thiede and assistant director Carissa King were aware of the drug usage but failed to disclose the information because of a close friendship between the four.

Numerous employees failed to notify and report allegations of drug usage and a third-degree assault. The failure to report criminal and regulatory violations resulted in a delay that allow -- that allowed the conduct to continue and thwarted an investigation.

For these improprieties staff recommends the Commission fine the casino \$75,000. I might add others who were disciplined, Carissa King, her license was revoked, she was security ops manager. Chester Koch was a director, he was given 20 days suspension. And Matt Edmonds, security shift manager, was revoked.

CHAIRMAN MATHEWSON: Okay. Gene, is that -- that disciplinary action -- I'm sorry. I'm not tracking that down real quick here. It's J only?

MR. MCNARY: Yes, sir. We're taking those individually.

CHAIRMAN MATHEWSON: Okay. That's what I thought you were doing and I wasn't tracking it. Not anybody's fault. I'm just dumb. I can't find J. You'd think I could, but -- okay. We have -- Chair

would accept a motion then to accept staff's recommendation on the action on DC-10-150.

COMMISSIONER JONES: Move to accept the -- move to accept DC-10-150.

COMMISSIONER HATCHES: Second.

CHAIRMAN MATHEWSON: Any discussion? Call the roll, please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

MS. FRANKS: By your vote, you've adopted DC-10-150.

MR. MCNARY: Tab K, Mr. Chairman, involves Chet Koch. He was senior vice president and GM of Ameristar-Kansas City at the time of the previous disclosed issue. And he knew about the problems and did nothing. He has since been terminated.

Staff recommends Commission suspend his license for 20 days, which amounts to putting it on

his record.

CHAIRMAN MATHEWSON: Okay. But he's no longer employed there?

MR. MCNARY: He's no longer employed. Ameristar took immediate action.

CHAIRMAN MATHEWSON: Good for them. Chair would accept a motion to -- on DC-10-151.

COMMISSIONER JONES: Move for the acceptance of 10-151.

COMMISSIONER MERRITT: I would second.

CHAIRMAN MATHEWSON: Any discussion? Call roll, please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

MS. FRANKS: By your vote, you've adopted DC-10-151.

MR. MCNARY: Tab L is Donald Thiede. He was the security director in the situation we've discussed. He was a Level I licensee. His

obstruction and failure to report were violations and staff recommends that the Commission revoke his license.

CHAIRMAN MATHEWSON: What's his status now? Do we know?

MR. MCNARY: He was terminated.

CHAIRMAN MATHEWSON: He was terminated.

MR. MCNARY: Yes, sir.

CHAIRMAN MATHEWSON: Chair would accept the motion to accept the recommendation of staff on DC-10-152.

COMMISSIONER MERRITT: So moved.

COMMISSIONER JONES: Second.

CHAIRMAN MATHEWSON: Any discussion? Call the roll, please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

MS. FRANKS: By your vote, you've adopted DC-10-152.

CHAIRMAN MATHEWSON: Thank you.

Mr. McNary.

MR. MCNARY: Tab M involves Konami Gaming supplier licensee. The licensee shipped 12 electronic gaming devices to Terrible's St. Joe with revoked printed software. Spencer Peterson, the company's director of technical compliance informed the Commission that he identified two errors in the company's quality control process, which were the likely reasons for the revoked software being installed and shipped to the casino. Peterson informed the Commission that the two errors have since been fixed.

Staff recommends a fine for the casino of 5,000. This really involves a supplier rather than a casino. That's the reason it's a smaller fine and it's consistent with other fines along the same conduct.

CHAIRMAN MATHEWSON: Any questions of Mr. McNary?

COMMISSIONER MERRITT: Any --

CHAIRMAN MATHEWSON: Go ahead, please.

COMMISSIONER MERRITT: Any previous violations from this company?

CHAIRMAN MATHEWSON: Is there?

MS. HUTCHISON: Hi, Terri Hutchison, Missouri Gaming Commission. Yes, they have one prior violation and they received a letter of warning; and this is their second, which is for the fine.

CHAIRMAN MATHEWSON: Okay. Is that reference to the same subject matter?

MS. HUTCHISON: Yes.

CHAIRMAN MATHEWSON: This one?

MS. HUTCHISON: Yes.

CHAIRMAN MATHEWSON: Okay.

MR. MCNARY: I misspoke, Mr. Chairman. I think I said the fine would -- we'd be fining the casino 5,000. We're fining the supplier.

CHAIRMAN MATHEWSON: Yeah, the supplier. Right. Okay. I suspect with a letter and with a first -- with a fine, shamey-shamey. If we hear from you again -- well, this outstanding group goes together. Chair would accept a motion to accept recommendation on DC-10-169.

COMMISSIONER HATCHES: So moved.

COMMISSIONER JONES: Second.

CHAIRMAN MATHEWSON: Any discussion?
Call roll, please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

MS. FRANKS: By your vote, you've adopted
DC 10-169.

CHAIRMAN MATHEWSON: Mr. McNary?

MR. MCNARY: Mr. Chairman, Tab N involves
Isle of Capri - Kansas City. There are three counts.
MGC auditors conducted a follow-up audit and observed
casino employees in violation of three original
findings. They were: One, failure to record return
checks in the log within three days of notice; two,
surveillance failure to continuously monitor the count
process; and three, count personnel failing to clear
their hands during the count process.

Compliance directives were issued for
each repeat finding. Later, follow-up observations
showed the findings in counts one and two were cured.
The follow-up observation on count three showed that
count -- that the count personnel were still not
clearing their hands during the count.

And on May 15th, 2010, Sergeant Mark Thomas of MSHP observed the count team and reported it appears all soft count employees are doing a better job of clearing their hands.

The staff, because of the failure to comply, recommends that the Commission fine the casino for all three of these counts \$10,000.

CHAIRMAN MATHEWSON: Any discussion?
Chair would accept a motion to accept the recommendation of staff on DC-10-170.

COMMISSIONER MERRITT: So moved.

COMMISSIONER JONES: Second.

CHAIRMAN MATHEWSON: Call the roll, please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

MS. FRANKS: By your vote, you've adopted DC-10-170.

MR. MCNARY: Mr. Chairman, Item VI on the

agenda concerns settlement agreements. And general counsel Chris Hinckley is already at the podium.

CHAIRMAN MATHEWSON: He just rushed right up there, didn't he?

Have a safe trip home guys. Thanks for being here.

Mr. Hinckley, sir.

MR. HINCKLEY: Good morning, Mr. Chairman, Commissioners.

CHAIRMAN MATHEWSON: Nice suit.

MR. HINCKLEY: Thank you, sir.

COMMISSIONER HATCHES: How about mine?

COMMISSIONER JONES: I guess we didn't get the memo on this side.

CHAIRMAN MATHEWSON: You two have always been a little slow. Just kidding.

Mr. Hinckley, please, sir.

MR. HINCKLEY: I direct your attention to settlement agreements between Tabs O, P and Q. With regard to each, the licensees involved contacted the Commission shortly after the Commission issued each disciplinary order, took responsibility for their actions or inactions and negotiated the following settlement agreements with the Commission.

Behind Tab O, Commission Resolution 10-

055, which concerns licensee Harrah's Maryland Heights and underlying disciplinary matter 10-153, in which the licensee was fined \$25,000 for allegations relating to an underage patron on the gaming floor.

The licensee agreed to settle this matter for a payment of \$22,500. The staff recommends that the Commission approve this resolution.

Behind Tab P, you have Commission Resolution 10-056, which concerns licensee Harrah's North Kansas City and underlying disciplinary matter 10-154, in which the licensee was fined \$10,000 for allegations relating to two incidents of failing to change playing cards in a timely manner.

The licensees agreed to settle this matter for payment of \$9,000. The staff recommends that the Commission approve this resolution.

Behind Tab Q, you have Commission Resolution 10-057, which concerns licensees Harrah's North Kansas City and underlying disciplinary matter 10-155, in which the licensee was fined \$25,000 for allegations relating to an underaged patron on the gaming floor.

The licensees agreed to settle this matter for a payment of \$22,500. The staff recommends that the Commission approve this resolution as well.

CHAIRMAN MATHEWSON: Okay. I assume we want to take those one at a time. Right?

MS. FRANKS: We need to -- you can vote on them --

CHAIRMAN MATHEWSON: Collectively? I mean all three at the same time?

MS. FRANKS: You can vote on them all at the same time.

CHAIRMAN MATHEWSON: Angie came back from surgery and she's just right on top of stuff, so to speak.

Okay. Chairman would accept a motion to -- on all three of these settlement agreements.

COMMISSIONER HATCHES: So moved.

COMMISSIONER MERRITT: Second.

CHAIRMAN MATHEWSON: Any discussion?
Call the roll, please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

MS. FRANKS: By your vote, you've adopted Resolution Nos. 10-055, 10-056 and 10-057.

CHAIRMAN MATHEWSON: Mr. McNary.

MR. MCNARY: Mr. Chairman, Item VII on the agenda concerns relicensure of certain suppliers and Lieutenant Rex Scism will address these issues.

LIEUTENANT SCISM: Good morning, Mr. Chairman, Commissioners.

Missouri State Highway Patrol investigators conducted the relicensing investigation of two supplier companies currently licensed in Missouri. These investigations consisted of jurisdictional inquiries, feedback from affected gaming company clients, a review of disciplinary actions, litigation and business credit profiles, as well as a review of key persons associated with each company.

The results of these investigations were provided to the MGC staff for their review and the following companies are being presented for your consideration.

The first one is Paltronics, Incorporated, Crystal Lake, Illinois.

MR. MCNARY: Staff recommends relicensure.

CHAIRMAN MATHEWSON: Any comments or questions? You want to vote these one at a time, I assume, don't you?

MS. FRANKS: Yeah.

CHAIRMAN MATHEWSON: Chair would accept a motion on Resolution No. 10-058 to accept the recommendations.

COMMISSIONER JONES: So moved.

MR. HATCHES: Second.

CHAIRMAN MATHEWSON: Call roll, please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

MS. FRANKS: By your vote, you've adopted Resolution No. 10-058.

LIEUTENANT SCISM: Finally, the last supplier company for your consideration today, International Game Technology of Reno, Nevada.

MR. MCNARY: Staff recommends relicensure.

CHAIRMAN MATHEWSON: Any discussion?
Chair would accept a motion to adopt recommendation on
10-059.

COMMISSIONER HATCHES: So moved.

COMMISSIONER JONES: Second.

CHAIRMAN MATHEWSON: Call the roll,
please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

MS. FRANKS: By your vote, you've adopted
Resolution No. 10-059.

LIEUTENANT SCISM: Thank you.

CHAIRMAN MATHEWSON: Thank you, sir.
Good to see you.

MR. MCNARY: Item VIII, Mr. Chairman,
concerns licensure of a supplier, JCM America
Corporation. And Corporal Brian Logan will speak to
that licensure.

CORPORAL LOGAN: Morning, Mr. Chairman,

Commissioners. You will notice under Tab T there are two resolutions: One for the company JCM American Corporation, hereafter referred to as JCM American; and the second resolution for eight key persons associated with JCM American.

On January 2nd, 2009, JCM American made application to the Missouri Gaming Commission for a supplier's license. The company also submitted applications for the following eight key persons: Akiyoshi Isoi, director, senior operating officer, general manager of international division; Yojiro Kamihi gashi, director --

MR. MCNARY: That's why Rex Scism gave this to him.

CHAIRMAN MATHEWSON: The lieutenant just passed that right on down to the corporal, didn't he? You speak Chinese these. Go ahead, please.

CORPORAL LOGAN: John M. Garner, chief financial officer; Koichi ro Kamihi gashi, director; Toshiumi Kitamori, director; Hisashi Maki, director; **Kauhi to Kawase**, director; Hikaru Iawa, director.

The Missouri State Highway Patrol investigators, along with Gaming Commission financial investigators, conducted background investigations on JCM American and its associated key persons. The

investigation included, but was not limited to, civil, criminal, financial and general character inquiries of key persons through international, federal, state and local government entities, as well as a comprehensive financial analysis of the company.

An investigative summary was submitted to the Missouri Gaming Commission staff and a copy of that comprehensive summary has been provided for your review. The investigating officers are present at this hearing and we would be happy to entertain any questions you may have at this time. Thank you.

CHAIRMAN MATHEWSON: Any questions?

MR. MCNARY: Mr. Chairman, obviously Corporal Brian Logan has just been baptized into the order, and staff recommends licensure of the supplier.

CHAIRMAN MATHEWSON: There was a couple of those names I don't think you got quite right. Just kidding.

CORPORAL LOGAN: Hi sashi, I apologize.

CHAIRMAN MATHEWSON: I thought that was the one right there.

COMMISSIONER MERRITT: Maybe we can get the Chairman to go through the names and correct that.

CHAIRMAN MATHEWSON: What is his deal? Come on. Thank you, Corporal.

Chair would accept a motion to -- or did you make recommendation?

MR. MCNARY: Recommended licensure of both the corporation as well as the key persons. Those are the two resolutions.

CHAIRMAN MATHEWSON: Okay. How about a motion on 10-058, please, Paltronics.

MS. FRANKS: 060.

CHAIRMAN MATHEWSON: I'm sorry. Excuse me. I moved off. JCM American Corporation, 10-060.

COMMISSIONER JONES: Move for acceptance of Resolution 10-060.

COMMISSIONER HATCHES: Second.

CHAIRMAN MATHEWSON: Any discussion? Call roll, please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

MS. FRANKS: By your vote, you've adopted Resolution No. 10-060.

CHAIRMAN MATHEWSON: Now the Chair would accept a motion on Resolution No. 10-061.

COMMISSIONER MERRITT: So moved.

COMMISSIONER JONES: Second.

CHAIRMAN MATHEWSON: Call the roll, please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

MS. FRANKS: By your vote, you've adopted Resolution No. 10-061.

MR. MCNARY: Item IX on the agenda, Mr. Chairman, concerns licensure of certain Level I key applicants. Lieutenant Rex Scism -- I'm sure this will be Smith and Brown.

CHAIRMAN MATHEWSON: Look who's back.

LIEUTENANT SCISM: You guys figured out the method to my madness. I'd have been up here trying to roll R's on those Japanese names.

Okay. Mr. Chairman and Commissioners,

Missouri State Highway Patrol, along with Gaming Commission financial investigators, conducted comprehensive background investigations on multiple key and Level I applicants. The investigations included, but were not limited to, criminal, financial and general character inquiries, which were made in the jurisdictions where the applicants lived, worked and frequented.

The following individuals are being presented for your consideration: Katrina R. Lane, senior vice president and chief technology officer for Harrah's Entertainment; Christopher J. Williams, director for Harrah's Entertainment; Darrell W. Pilant, assistant general manager for Harrah's North Kansas City Casino; Christopher D. Stevenson, director of operations for Isle of Capri-Kansas City; Wendy K. Malotte, internal audit manager for Argosy Riverside Casino; Ameet L. Patel, vice president and general manager for Argosy Riverside Casino; and finally, Jerome R. Smith, executive vice president, general counsel and secretary for Shuffle Master, Incorporated.

The results of all the investigations were provided to the Gaming Commission staff for their review and you have summary reports before you for all

of the applicants being considered.

MR. MCNARY: Mr. Chairman, staff recommends licensure of these key applicants.

CHAIRMAN MATHEWSON: Any questions?

(No response.)

CHAIRMAN MATHEWSON: Chair would accept a motion to approve Resolution No. 10-062.

COMMISSIONER HATCHES: So moved.

COMMISSIONER JONES: Second.

CHAIRMAN MATHEWSON: Call roll, please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

MS. FRANKS: By your vote, you've adopted Resolution No. 10-062.

LIEUTENANT SCISM: Thank you.

MR. MCNARY: Item X concerns waiver of licensure for institutional investors, and Clarence Greeno will speak on the subject.

CHAIRMAN MATHEWSON: Good morning,

Clarence.

MR. GREENO: Good morning, Mr. Chairman, Commissioners.

Mr. Chairman, if I may for the benefit of Commissioners Hatches and Merritt, I want to say welcome to the Commission. I look forward to working with you.

COMMISSIONER HATCHES: Thank you.

MR. GREENO: Missouri gaming regulations require that any individual or entity that holds 5 percent or more publicly traded interest in a licensee be licensed by the Missouri Gaming Commission.

The regulations also provide that if the holder of such interest is an institutional investor holding that interest for institutional investment purposes only, that they have no intent to vote that interest or become involved in the management or operation of the licensee, that they can apply for a waiver from licensure with the Commission.

Behind Tabs V, W, X and Y are four resolutions regarding waiver of licensure for institutional investors holding and/or requesting to hold publicly traded interest up to 20 percent in one or more licensees. Each investor has submitted a

request for waiver to hold interest in these licensees in compliance with 11 CSR 45-4.020.

The submitted waivers certify all holdings are for institutional investment purposes only, with no intent to be involved in the management or operation of the licensees. Because the holdings may exceed the 10 percent threshold for which the executive director may grant waiver, these resolutions are before the Commission today.

The first resolution is for FMR, LLC and its direct and indirect investment management subsidiaries and FIL Limited and its direct and indirect investment management subsidiaries; the second is Summit Partners, LP; the third resolution is Wells Capital Management, Incorporated; and the fourth is BlackRock, Incorporated.

MR. MCNARY: Staff recommends the waiver be granted.

CHAIRMAN MATHEWSON: Clarence, does -- they have to have 5 percent, okay, just to start with in stock. Right? Now --

MR. GREENO: Yes, sir.

CHAIRMAN MATHEWSON: -- on the waiver, this is -- this is investment firms or whatever and that's the reason for the waiver. Am I understanding

that correctly? We've had these before, but I don't remember.

MR. GREENO: Yes, sir, that's correct.

CHAIRMAN MATHEWSON: And then so -- so does -- is there a potential of a percentage of that company that's investing -- you got XYZ -- well, you got any one of these. Take your pick. Fidelity Management Research Company, I assume.

MR. GREENO: Yes, sir.

CHAIRMAN MATHEWSON: I know it's one of them. It says so right there. But we don't reach out to that company then at the waiver request that there's anybody there that owns more than 5 percent that was investing in. I mean we don't go that far, do we?

MR. GREENO: No, sir. And these investment management companies, typically they have pools of funds in which --

CHAIRMAN MATHEWSON: Well, yeah. It would be probably even hard to track. I mean because they're -- well, whoever --

MR. GREENO: Well, you can track who is in these funds, but typically you will find that it is retirement systems --

CHAIRMAN MATHEWSON: Sure.

MR. GREENO: -- federal or state retirement systems, municipalities, could be some individual investors that put money into these funds not knowing at all what they're going to be purchasing. Okay? They're just putting money into the fund of this investment company. The investment company then goes out and purchases interest in different companies that they feel are going to provide the return to these investors in the pool.

CHAIRMAN MATHEWSON: That's a lot like I invest. I don't have a clue what I'm doing. You know, I just throw her in there and say, I hope that goes up, you know. Just kidding. No, I really wasn't kidding. Go ahead, Commissioner.

COMMISSIONER JONES: I have a question for you. Now, any time in the future if the institutional investors decide to be active -- or can they decide to become active in the operations?

MR. GREENO: Yes, sir, they can. And as a part -- one of the elements of the waiver is that if at any time in the future they want to become active or take a role in the management or operation of the licensee, they have to immediately notify the commission prior to assuming such role and then they would apply for licensure.

COMMISSIONER JONES: And whoever they choose, I guess, to be a part of the operation or be involved, that's the one that we have to -- that would be the person or entity that will seek the license?

MR. GREENO: Yes, sir. As a matter of fact, it would be -- for example, if BlackRock determined that they wanted to become active in the management of the company in which they have the interest, then the principal, the managing partners of BlackRock then would apply for licensure as would the entity of BlackRock.

COMMISSIONER JONES: Okay.

CHAIRMAN MATHEWSON: Okay. Any other questions for Clarence?

Mr. McNary.

MR. MCNARY: Staff recommends that these waivers be granted.

CHAIRMAN MATHEWSON: Okay. Thank you, Clarence.

Chair would accept a motion on Resolution No. 10-063.

COMMISSIONER MERRITT: So moved.

COMMISSIONER JONES: Second.

COMMISSIONER HATCHES: Second.

CHAIRMAN MATHEWSON: Call roll, please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

MS. FRANKS: By your vote, you've adopted
Resolution No. 10-063.

CHAIRMAN MATHEWSON: Chair would accept a
motion for Resolution No. 10-064.

COMMISSIONER MERRITT: So moved.

COMMISSIONER JONES: Second.

CHAIRMAN MATHEWSON: Call roll, please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

MS. FRANKS: By your vote, you've adopted
Resolution No. 10-064.

CHAIRMAN MATHEWSON: Chair would accept a motion on Resolution No. 10-065.

COMMISSIONER HATCHES: So moved.

COMMISSIONER MERRITT: Second.

CHAIRMAN MATHEWSON: Call roll, please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

MS. FRANKS: By your vote, you've adopted Resolution No. 10-065.

CHAIRMAN MATHEWSON: Chair would accept a motion on Resolution No. 10-066.

COMMISSIONER JONES: So moved.

COMMISSIONER HATCHES: Second.

CHAIRMAN MATHEWSON: Call roll, please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

MS. FRANKS: By your vote, you've adopted Resolution No. 10-066.

CHAIRMAN MATHEWSON: Mr. McNary.

MR. MCNARY: Item XI on the agenda, Mr. Chairman, concerns rulemaking. And legal counsel Frank Jung is already at the podium.

MR. JUNG: Morning again.

CHAIRMAN MATHEWSON: Yes, he is. He ran right up there.

MR. JUNG: Behind Tab Z you'll find proposed rule 11 CSR 45-9.115. This rule makes changes to Chapter 0 of the Minimum Internal Control Standards. Chapter 0 relates to purchasing and contracts by casinos.

You will note on page o-4 that we have added a section titled Classification of Vendors. This section states that if a vendor is classified by a Class B licensee as a minority-owned or woman-owned business for compliance with Section 313.805(18) RSMo, the casino shall retain documentation in the vendor file establishing the criteria used to classify the vendor as a minority- or woman-owned business.

It further states that the documentation shall include either a copy of a MBE/WBE certification or an affidavit signed by the vendor attesting to the fact that the vendor is a minority- or woman-owned business using MGC approved language for the affidavit.

If you have any questions regarding this proposed rule, I'll be happy to answer those questions.

CHAIRMAN MATHEWSON: Any questions of Frank? Thank you, Frank.

MR. MCNARY: I don't know what -- what, if anything, needs to be said, but this arises out of the audit which, you know, this is the second time we've had an audit. And we find -- as Darryl Jones anticipated, we found mistakes had been made in the numbers that had been reported and they're being corrected.

But one of the major concerns was that if a minority or a woman is certified, then there's no problem. And there is a procedure for certification, but the law does not require certification. And so we feel as though there should be some evidence gathered.

If they don't certify the employee or the business, then they need some documentation. And if

there isn't any documentation -- business-type documentation available, then an affidavit or an attestation should be supplied so that they're giving us an assurance that this really -- that Jane Doe is really Jane Doe and not just John Doe's wife whose name is on the certificate. So that's what this is trying to cure.

CHAIRMAN MATHEWSON: Go ahead.

COMMISSIONER JONES: Yeah. Absolutely.

MR. JUNG: If you recall, Mr. Chairman and Commissioner Jones, from the first audit that was presented to the Commission, the auditor's report noted that the policy of the casino was to give credit to a MBE/WBE simply by the name.

So if it was Sally's Massage Service or Sally's Cleaning Service, they would assume it was a WBE simply because that's was the name. And it -- and it could have been a male who owned it, but simply because the name was a female name, they were getting credit.

And that's why we have come with a better standard so that they just are getting some guidance to say, No, we're not going to accept that as -- as a credit towards your goals on that.

CHAIRMAN MATHEWSON: Any other questions?

I assume we need to roll call that just like the other things. Chair would accept a motion for the proposed Rule 11 CSR 45-9.115.

COMMISSIONER HATCHES: So moved.

COMMISSIONER JONES: Second.

CHAIRMAN MATHEWSON: Any discussion?

Call roll, Angie, please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

MS. FRANKS: By your vote, you've adopted proposed Rule 11 CSR 45-9.115.

MR. MCNARY: Mr. Chairman, the staff has no old business to bring up. Under new business and before we go into closed, there may be some people here who are waiting to hear time lines on the license procedure. And when we go into closed, the reason for closed -- we're not going to be able to start the closed until eleven o'clock or thereabouts. So I think you need maybe to advise those in the audience.

It won't take long after 11:00, but there will be a wait.

CHAIRMAN MATHEWSON: Yes. I hope everyone understood that. We have folks coming to give a presentation to us --

MR. MCNARY: Yes, sir.

CHAIRMAN MATHEWSON: -- that is certainly something that we, as a Commission, need to hear. And that should take maybe 15, 20 minutes, something like that. We'll be in closed meeting and then come right back into opening meeting. And at that time for those of you that care about the time frames in which, as Mr. McNary said, we will be at least setting as goals, then we'll come right back out and discuss that and have that in front of you for that part of it.

But again, as Mr. McNary said, we don't -- our presenters aren't due here until eleven o'clock so we'll all gather and we'll sing songs. Now, you don't have to hold hands because some of you might not like each other, but, you know -- I sure hope you got that in there because that will be important in the future.

Is there any new business there other than the fact of what we've just said? Okay.

MR. MCNARY: No new business. You're up

to Item XIV, motion for closed meeting.

CHAIRMAN MATHEWSON: Wait a minute.

Frank looks all nervous.

MR. JUNG: No, just want to make sure we do that.

CHAIRMAN MATHEWSON: Chair would accept a motion that we go into a closed meeting. Again, I hope everyone understands we're running a little ahead of ourselves this morning, which is unusual for me. So we won't be out very long after eleven o'clock. Okay?

So Chair would accept a motion that we go into closed meeting under Section 313.847 and 610.021(1), (11) and (14).

COMMISSIONER JONES: So moved.

COMMISSIONER HATCHES: Second.

CHAIRMAN MATHEWSON: Okay. All those in favor, say something.

COMMISSIONER JONES: Aye.

CHAIRMAN MATHEWSON: Yeah, he seconded.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

(A recess was taken.)

CHAIRMAN MATHEWSON: Thank you all for -- for waiting for us. Appreciate it. First of all, we need to open this meeting so I'll take -- Chair would accept a motion to open this meeting.

COMMISSIONER JONES: So moved.

CHAIRMAN MATHEWSON: Call the roll, please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

CHAIRMAN MATHEWSON: Okay. We're back in open session now. Mr. McNary.

MR. MCNARY: Mr. Chairman and Commissioners, let me describe what has happened and what staff proposes as a time line for consideration of the license that will be freed up July 1st in the state of Missouri.

We sent out a notice originally and invited people to send us a notice of interest whether they were jurisdiction management company, investment company, whatever. And we received several responses. The deadline there was May 1st.

Thereafter, we had an already scheduled meeting with the existing casinos in Missouri and we added to that agenda a discussion and a request of the existing casinos in Missouri, the companies, for an economic analysis.

As an example, Mr. Stremming with Ameristar has already distributed his to the public, but it was that kind of economic analysis that we were looking for and we expect to get other reports from the other casino companies and we asked for those by June 15th, 2010.

And that information -- not only their studies, but they all have area -- or zip codes for their patrons, which will be very helpful in establishing an economic picture in the state of Missouri. So we've asked for that.

Then on May 18th we met with interested parties, including communities, casinos and others and discussed the process in general, got their input as to the time line on what -- how long it would take

really to submit an application. And we handed out at that meeting an Economic Analysis Questionnaire, which had a lot of important economic data that we were looking for as well as the extent of the proposed investment, the amount of capital that they intended to -- to put up, whether it -- the size of the casino, whether there were other amenities such as hotels and whatnot. We asked that -- asked them to return the Economic Analysis Questionnaire by July 15th.

Now, that information from the existing casinos and the proposed applicants or prospective applicants should be completed and goes to the research arm called Metric of Department of Economic Development, state of Missouri. And these guys will digest this information, put it through their various models, which is very sophisticated, and be in a position to brief the Commission on July 28th.

We believe that based on the economic data that even though -- that's only one factor in considering the license. There are environmental, competitiveness, socioeconomic concerns that the Commission will also take into account, but just based on the economic data, that staff by August 1st should be in a position to advise some of the interested parties that they're not likely to even make a short

list and they should probably not file an application along with their \$50,000 filing fee.

And at that May 18th meeting that seemed to be well received. They'd like to kind of test the waters without jumping in head first and committing to the \$50,000 fee. And so we think that we could kind of take two months, go with the economic basis and then make a staff assessment to some of these applicants or prospective applicants as to where they stand. Then the deadline for applications would be September 1st.

Now, that -- remember the opening for applications, June 1st, there may be somebody who's going to come with an application on June 2nd with \$50,000. So all that time all summer, three months, they will have to put their applications together, which is no minor matter. They're extensive, it takes a lot of paperwork, they'll be bringing boxes in here. All that though, they've got three months to put it together even though they've got a couple of months to test the waters before they commit themselves.

Then thereafter, it would be up to the Commission to determine its own time line on coming up with a short list. I know that the Chairman is -- you're committed to hearings where sites are being

considered and listening to person's anti-environmental concerns, whatever it might be, which I think is a good idea. And you could probably do that in September, but that's up to the Commission as to -- but you should have all of that information, economic data and be ready to go forward with those hearings by September 1st.

Now, that is not cast in stone. That's a proposed -- and our -- our handout is going to say just that. It's a proposed time line that we hope to adhere to, but it is adjustable. And so there's nothing -- there's no resolution that covers that. That's just so that the people in this room and people who are interested have some idea of our thinking.

What's before the Commission is a resolution that would open the application window on June 1st and close it on September 1st of 2010. And staff recommends that the Commission approve this resolution.

CHAIRMAN MATHEWSON: Thank you.

Mr. McNary. Is it my understanding that when you had your meeting with staff and the other participants that showed up on May the 18th, generally it was a consensus that they could do the application process in that 90 days that we have outlined -- that you've

just outlined? That generally -- I mean some of them said, well, maybe it will take a little longer than that, but generally the feeling was that we could move forward on that 90 days. Right?

MR. MCNARY: There were varying estimates. To say a consensus would be a stretch, but I think that almost everybody at the end of the meeting felt as though 90 days was sufficient.

CHAIRMAN MATHEWSON: Okay. Well, I think -- and I will in just a moment -- again, thank you, Gene. I'll accept the motion on the resolution, but again, I -- you know, we -- we want to make sure that we have all the information that we can have in a timely manner before us before we want to start making decisions on what happens to that 13th license.

But also recognizing that, you know, as I've said several times, you know, that 13th license is void out there right now, there's no revenue coming into education off that 13th license. And, you know, we are going to determine; number one, should there be the 13th license; number two, that we want to look at the time frame involved.

So if some of the folks that are interested in that think maybe we're pushing just a little here on that time frame for application, then

maybe we are, at least I am. Okay? Because -- because if we're going to do -- if we're going to fill that 13th license, which is up to this Commission whether we do or don't, but we should certainly recognize that -- that the economy being what it is, we need some money into that education fund. So that's my sidebar of what we're discussing.

So we have before us, which all of you will get a copy if you want after -- after the vote, Chair would accept a motion to adopt Commission Resolution No. 10 -067. That's the authorization of applications for the 13th license.

COMMISSIONER HATCHES: So moved.

COMMISSIONER MERRITT: Second.

CHAIRMAN MATHEWSON: Any discussion?

Comments?

(No response.)

CHAIRMAN MATHEWSON: Call roll, Angie, please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

MS. FRANKS: By your vote, you've adopted Resolution No. 10-067.

CHAIRMAN MATHEWSON: Any other further business to come before this group? Chair would accept a motion to --

COMMISSIONER MERRITT: Mr. Chairman, you're going to be distributing --

CHAIRMAN MATHEWSON: Yeah. Leann has them back there.

COMMISSIONER MERRITT: I would say you better make some clarification that this is our decision at this time, but it is subject to change if circumstances would so dictate.

CHAIRMAN MATHEWSON: Sure. Good point, Commissioner. The distribution of this, as I think Gene did touch on, is it's a time line, but it's not locked down. I mean it's -- as I mentioned to someone the other day, a member of the press who happens to be here, you know -- I mean, folks, please understand this that, you know, none of us have ever issued a license. It's that basic. You know, this is a brand-new process for us.

And so, you know, we're trying to walk

slow, we're trying to be very transparent with everything we're doing. And I think we have up to this point, we're going to continue to be that way. Want the input, want the feel out there in the state.

But having said that to several of the applicants, I suspect it's going to be a brand-new experience in this state for them too. So consequently, we -- we don't want to force it, but at the same time, as I said a while ago, you know, we -- we want to move on, you know with the best information that we possibly can glean.

So as Gene mentioned to you a while ago, any -- the information that you can provide, then we would sure appreciate it because it's going to help us move along and make a decision. Okay?

Any other comment from any member of the Commission? Thanks again, guys. Thanks for being a part of this, hanging in with us, this guy and me. Nice to have you back, Angie. Nice to have you back, Gene. Nice to have you back, Roger. Is there anything wrong with you, Chris?

MR. HINCKLEY: No. I'll be here any time you need me.

CHAIRMAN MATHEWSON: Clarence? Okay. Chair would accept a motion we adjourn this

outstanding meeting today.

COMMISSIONER HATCHES: So moved.

COMMISSIONER JONES: Second.

CHAIRMAN MATHEWSON: Call the roll,
please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approve.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approve.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approve.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approve.

CHAIRMAN MATHEWSON: Thank you all very
much.

(Meeting adjourned at 12:10 p.m.)

CERTIFICATE OF REPORTER

I, Tracy Thorpe Taylor, CCR No. 939, within the State of Missouri, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further, that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Tracy Thorpe Taylor, CCR