BEFORE THE MISSOURI GAMING COMMISSION

STATE OF MISSOURI

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MEETING
December 1, 2010
Missouri Gaming Commission
3417 Knipp Drive
Jefferson City, Missouri

_____

COMMISSIONERS PRESENT:

James L. Mathewson, Chairman

Darryl T. Jones

Noel J. Shull

Jack L. Merritt

Barrett Hatches

_____

REPORTED BY:

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CHAIRMAN MATHEWSON: Commissioners, Mr. Stottlemyre, are we ready to roll?

DIRECTOR STOTTLEMYRE: Yes, sir.

CHAIRMAN MATHEWSON: Angie, would you call the roll, please.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Here.

MS. FRANKS: Commissioner Shull.

COMMISSIONER SHULL: Present.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Present.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Present.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Present.

CHAIRMAN MATHEWSON: Okay. All commissioners are present and accounted for.

Mr. Stottlemyre.

DIRECTOR STOTTLEMYRE: Yes, sir. The first order of business will be consideration of prioritization of applicant for investigation, and I'd like to make a few comments before I turn it over to you, if I might.

CHAIRMAN MATHEWSON: Okay.

DIRECTOR STOTTLEMYRE: Chairman and

Commissioners, good morning.

THE COMMISSIONERS: Good morning.

DIRECTOR STOTTLEMYRE: We do have a full schedule today, and I know you have worked a lot on preparing for what we're getting ready to do here, but I will tell you, behind Tab A are four resolutions regarding prioritization of applicants for investigation for the remaining Excursion Riverboat Gaming License available within the state of Missouri.

On May 11, the Missouri Gaming Commission staff met with current Missouri casino licensees to gain their insight and input concerning the issuance of an additional license and solicit information from which to conduct an economic analysis. Licensees were given until June 15 to provide the information requested on the economic analysis questionnaire.

On May 18, the Missouri Gaming Commission staff met to inform prospective candidates, companies, and communities of the application requested -- or the application and preapplication process and time line.

By July 15 we had received information from applicants as to the size and scope of their investments and economic analysis of the projects.

We knew from the beginning of this process that we were going to work with MERIC, the Missouri Economic Research and Information Center, within the Department of Economic Development through a memorandum of understanding for them to develop a comprehensive economic analysis for the state.

On July 28, Missouri Gaming Commission staff had a meeting with MERIC to assess the preliminary information of the economic analysis questionnaire. September 1 was our deadline for receiving applications with the $50,000 filing fee.

On that date we received five applications. One was deemed incomplete and returned, which left us with four applications to consider. Those applications were from Casino Celebration, L.L C., the City of St. Louis; Isle of Capri, Cape Girardeau, L.L.C., for Cape Girardeau; and North County Development, L.L.C., for North St. Louis County; and Paragon Gaming, L.L.C., for Sugar Creek.

Staff, including financial and criminal investigators and licensing personnel, went to work conducting preliminary investigations into each applicant company. Each application is 43 pages in

length, contains 68 questions requiring 93 exhibits -- some exhibits having more than 40 parts -- with one part of one exhibit requiring the inclusion of state and federal tax returns for the previous five years. In some instances we also requested even more information from the applicants.

The next step on our time line was the public hearings, which were conducted at the end of September to hear the proponents and opponents in Cape Girardeau, the St. Louis area, and Sugar Creek.

After our monthly Missouri Gaming Commission meeting on October 19, we had a closed session meeting with MERIC to receive an update on their progress in developing the comprehensive economic analysis.

North County Development, L.L.C., notified Missouri Gaming Commission staff on October 19 that they would not be making a presentation the following day in Jefferson City. Three casino companies, along with representatives from their home dock communities made presentations before you on October 20 in Jefferson City.

The Missouri Gaming Commission

commissioners and staff met on November 15 in closed session to review proprietary financial information on the remaining three applicants. On Friday, November 26, we released to the public the MERIC economic analysis of casino applicants for Missouri's gaming license.

The road that has gotten us to this point has required many hours by staff and by you, the Commission. Each applicant and jurisdiction has invested significant time and resources in the planning and submission of applications, supporting documentation, home dock plans, and oral presentations.

Staff has devoted numerous hours scrutinizing applicant information, digesting and organizing materials, working with the applicants and jurisdictions to provide you with the information necessary to make an informed decision.

I commend both the staff and you, the commissioners, for the time, dedication, and diligence in evaluating all the information they have had before them. Each commissioner attended every meeting and every public -- and all the public hearings. I am confident any decision by the Commission concerning the prioritization of

applicants is being made in the best interest of the state, having considered all criteria required by law and regulation.

To ensure you fulfill your statutory and regulatory responsibilities, you have reviewed 11 CSR 45-4.060 and will be discussing those elements this morning. Additionally, the process of selecting an applicant for priority investigation will continue with your discussion this morning.

At this time, Mr. Chairman, I would turn it over to you.

CHAIRMAN MATHEWSON: Thank you, Roger. Appreciate it very much.

When we started this whole process, we certainly wanted to have the opportunity to review every section of the statutes as it relates to -- and for us to determine, that the way we're going is the right direction with several different issues, so there was no one single issue that we were going to make an evaluation on or make our final decision on. We -- we have done that.

And let me just quickly go through those step by step for the record so that there's no question about it. First was the support or opposition of the governing body of the home dock or

the county, and all three applicants and jurisdictions have home docking community approval.

The availability and suitability of a docking site: All three applicants have available and suitable docking sites.

The financial resources of the applicant: This is an important factor, because the financial resources of each applicant are proprietary in nature and may not be disclosed. I have said repeatedly through all of our public hearings, either in your communities or when we accepted the application from you here in Jeff City, that that was one of the keys that we were going to look at very, very carefully.

We have not only used what we believe to be excellent staff that we have onboard, but we also have former IRS investigators, that that was their job. They are retired now, and we have sought their counsel and our evaluation, plus the highway patrol and their investigation opportunities and their knowledge of the investigations.

That one, to me, was really a key on knowing for sure as best we could determine that we would have an applicant that we made a decision if we chose to do so that had the financial wherewithal to

complete that project. And you-all heard me, if you've been at any of the meetings, time and time again I emphasized that.

In fact, I think at a couple of the meetings I said, if that building is started and goes half completed and the financial ability to complete it goes south, then I'm going south because I don't want to be around to have to justify why there's a half-built building sitting somewhere in the state of Missouri.

The next one was the applicant's experience in managing a licensed gaming operation. Technically, there is only one applicant with experience in operating and managing a licensed gaming operation in Missouri -- in Missouri, but the other applicants have experience in the gaming industry.

Next, the applicant's history of regulatory compliance in Missouri and/or other jurisdictions: We checked all those. None of the applicants or any of their affiliates have any extraordinary regulatory issues. That was important to us: Had they had trouble in other states, other areas?

The economic impact to the state: This

section, or this item, refers to the net new gaming taxes for education, which, if you know anything about my history in the legislature, and I think all four of the other commissioners stand as well, that we were looking very closely and very carefully at that issue because it's important to be able to maintain revenue stream to support our young people into the future.

The next was the economic impact on the home dock city or county and the surrounding region, including competing excursion gambling boats, local business, and local government. Other things we may want to consider in these categories are new employment, wages, and gross domestic product. We looked carefully at that.

The quality and scope of the proposed development: In setting the applicant for investigation, the Commission primarily focuses upon the initial phase of the proposed project. Because of the level of uncertainty, subsequent planned phases are not given the weight given to the first phase. Detailed written descriptions and oral presentations of each proposal have been submitted to and reviewed by each member of the Commission.

The status of government actions required

for the facility: There do not appear to be any extraordinary issues related to the road improvements, public utility improvements, or governmental improvements related to any of the applicant sites. Any applicant will be required to address any environmental concerns, then any other information deemed necessary.

I want to, you know, personally -- and you-all, every one that's ever been to any of our meetings, has heard me jokingly and other members of the Commission jokingly talk about the great salary we get. This hundred dollars a month is killing us. We can't hardly spend it.

This Commission, as Roger pointed out, has not missed a meeting. Every person up here has been to every public hearing. That two-day run we had from St. Louis to Cape Girardeau, back to St. Louis, two hearings there, over to Kansas City to Sugar Creek and that hearing was a long two days, and we drove it. We didn't have an airplane, okay? I suggested one. They said no. "They" meaning staff, not us. We drove it all.

I can't be prouder to have had the honor, really, of serving with these four people sitting -- that are up here and two that started out with us

that are no longer on the Commission. I thank you all very, very much. You've been focused on this issue. You've brought up excellent thoughts as we've gone through this process, and I don't know how it could've been done any better.

I want to thank Roger, our director, and our staff, all of you. Thank you all very, very, much. Angie, LeAnn, Bill, I thank you. You guys have been great. Thank you very, very much for everything you've done. You kept us informed as we moved along, and we appreciate that.

Now, I said jokingly to start with that it might not be a happy day in River City. This is tough, guys. And this, in the state of Missouri, has not been done, okay? That's the reason why we have asked everything be transcribed, everything that we've done, because we want future commissions to have the opportunity to review all of the tapes and all of the information that we've gleaned after our process.

It's not easy, but this morning let me also tell you, being a little country boy, as God as my witness, I have not a clue what anybody -- any of the people up here are going to do this morning. We have not previously discussed it. It is -- we have

sought information, we have gleaned that information, we have all had the same information. We've all asked questions. We've researched. We've taken a lot of time, effort, and energy to reach this point.

We have before us -- as Roger Stottlemyre mentioned, we have, actually, four resolutions before us. We have one from each one of the license applications and we have one to take no action. As I have mentioned and all of the commissioners have mentioned all the way through this process, the law doesn't say that we're required to take any action. It just says there can't be more than 13.

So I'm going to ask the commissioners to -- for any questions they have of staff or me or whatever. We're not taking public testimony this morning because we've done that time and time again around the state. We've given everyone an opportunity to be heard.

We've now reached that point where it's time that we get down to what we're going to take as our final action on this issue of one license application for the state of Missouri. And, again, I emphasize: This is not predetermined, I guarantee you. I have not a clue what any one of them is going

to do.

After discussion we're going to have the opportunity -- I will ask for a motion. It will require, if seconded, three votes if it's to carry. If there is no motion, we can just shut this thing down and do nothing, okay? Bottom line, we take no action. It will require three votes if we're going to grant a license.

I'm going to be voting last, so you know, just in case I want to break a tie. I have told the other commissioners that that's going to happen, okay, and they're in agreement with that. We thank you all for being here. I will open it up.

COMMISSIONER MERRITT: Sir?

CHAIRMAN MATHEWSON: Yes.

COMMISSIONER MERRITT: I would just like to make a comment to the fact we did receive some eleventh-hour rebuttal from some of the participants, and we have studied those. We have read those. Those have been evaluated, and we have that as part of our consideration, that we did get that information.

CHAIRMAN MATHEWSON: Thank you. Thank you very much, Commissioner.

As anything has come in to us, I mean,

again, follow up on what you just said, Jack, even press releases, whatever, why LeAnn and staff has provided those as quickly as they could to us over this whole last several months that we've been through this process. Thanks for making that comment.

Other commissioners?

COMMISSIONER HATCHES: Mr. Chair, I just wanted to comment about the process. Being one of the new members on the Commission, I come into this process of having to make a decision like this certainly without the kind of support that we'd get from an information standpoint from the staff, would've made this a much more difficult job to do.

I certainly also want to say thank you to you for establishing a process by which we would work through to get to where we are today, understanding that one of the priorities here on the list that you just mentioned, one of the priorities was looking to see what would be in the best interest of the state, absolutely, but, again, without all of the information that has been given to us by staff and other members, this difficult job would've been made even probably more next to impossible to have done, so I just want to make sure that, certainly,

commissioners and others understand the importance of this process that we've gone through.

And one of the things that have meant the most -- the most to me is the input that we got from the communities that we've gone through, and on both sides of that, for and against.

But to hear the concerns that the people have certainly weighs real heavy in any decision that I -- I make, that coupled with the information that we were given.

And then, finally, the opportunity to have an independent vote on this commission means, probably, the most to me. The way I vote has nothing at all to do with the way any other commissioner votes or any other concerns that I hear. I'm making my own independent decision, and for me that means absolutely everything, so I appreciate the process.

CHAIRMAN MATHEWSON: Thank you, sir.

COMMISSIONER JONES: Mr. Chairman, I just want to thank -- echo some of your sentiments as well, thanking the staff. This has been a tedious journey. Having served the longest on the Commission, I'm not sure what the other commissioners

prior to this, this present commission -- would be the last gaming license -- but this has been a hope, and we've all had a lot of data to think about, to decide upon this thirteenth license, and I'd just like to thank, again, Roger and staff for providing this information and given us, you know, the opportunity to make this -- this heavy decision. This is going to be very challenging today and, again, concur with the rest of the commissioners here.

COMMISSIONER SHULL: I would also like to thank the Chairman for his effort and for making this a very transparent project, that the information that we have been given, that has been derived, has been excellent, and that it's been open to the public, and I just want to thank you for that process.

CHAIRMAN MATHEWSON: Thank you.

Any other comments, questions, or concerns by members of the Commission?

(No response.)

CHAIRMAN MATHEWSON: I guess not.

You have before you four resolutions clearly defined as the Casino Celebration license in the City of St. Louis, the Cape Girardeau license in

Cape Girardeau, the Paragon Gaming license for Sugar Creek, and the make-all-three-mad-and-go-home license -- resolution. That's what's before us. Chair would accept a motion.

COMMISSIONER MERRITT: Mr. Chair, I would yield to the senior members of the Commission. If they would choose to grant a motion first, that would be fine.

CHAIRMAN MATHEWSON: Senior members?

Is that in age or --

I'm glad he clarified that. He qualified the senior. Hell, I'm right here.

Do either one of you want to make a motion or do you want to pass it off to the commissioner from --

COMMISSIONER JONES: Well, Mr. Chairman, based on all the information that we received and had to absorb, I'd like to make a motion to recommend Resolution No. 13, the Isle of Capri, Cape Girardeau, for the next phase of the journey.

COMMISSIONER MERRITT: I believe that's Resolution 10-123, 10-123, and I would second that motion.

CHAIRMAN MATHEWSON: Okay. We have a motion and a second for IOC Cape Girardeau, L.L.C.,

in Cape Girardeau. With a motion and a second, is there any discussion?

(No response.)

CHAIRMAN MATHEWSON: Being none, Angie, call the roll, please.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approved.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approved.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approved.

MS. FRANKS: Commissioner Shull.

COMMISSIONER SHULL: Approved.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approved.

MS. FRANKS: By your vote you've adopted Resolution No. 10-123.

CHAIRMAN MATHEWSON: Again -- again, thank you all very, very much. Thank all of you communities. You did an excellent job in your presentations. I was impressed by all of you.

I judged a baby contest early one time in my political career. There was 22 babies. I picked one. I just managed to ruin my voting for me forever with 21 other families but, see, it's different today

because I'm not running for anything, but I do compliment the other two licensees and thank you very much for your efforts and your presentations.

We have now adopted the resolution to move forward on the Cape Girardeau construction license.

With that, that will conclude what we're doing right now. What I'd like to do is for the press -- if the other commissioners want to join me, I'm going to go right there (indicated) and take your questions for about five minutes, and then we have a whole stack of other things we have to accomplish today, so we'll take a short recess and then we'll come back for the other.

(A recess was taken.)

CHAIRMAN MATHEWSON: Okay. We're back in our session.

We're good to go, aren't we, Angie?

MS. FRANKS: Yes.

CHAIRMAN MATHEWSON: Okay. The next thing on our agenda is the consideration of minutes. We'll start with September the 27th minutes. Can we package 27, 28, 29, and 29?

DIRECTOR STOTTLEMYRE: Sure.

MS. FRANKS: Sure.

COMMISSIONER SHULL: So approved.

COMMISSIONER HATCHES: Second.

CHAIRMAN MATHEWSON: Okay. I have a motion and a second to approve the minutes from the meetings of September 27, 2010; September 28, 2010; September 29, 2010; and September 29, 2010.

Any discussion?

(No response.)

CHAIRMAN MATHEWSON: Call roll, Angie, please.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approved.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approved.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approved.

MS. FRANKS: Commissioner Shull.

COMMISSIONER SHULL: Approved.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approved.

MS. FRANKS: By your vote you've adopted the minutes of September 27, 2010; September 28, 2010; September 29, 2010, and then another September 29, 2010.

CHAIRMAN MATHEWSON: Thank you.

Next we have the minutes from the -- we probably want to do the -- well, we can do the 19th and 20th. We can put those together, can't we?

MS. FRANKS: Sure.

CHAIRMAN MATHEWSON: Okay. Let's take a motion, please, for October 19, 2010, and October 20, 2010.

COMMISSIONER SHULL: So moved.

COMMISSIONER JONES: Second.

CHAIRMAN MATHEWSON: Any discussion?

(No response.)

CHAIRMAN MATHEWSON: Call roll, Angie, please.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approved.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approved.

MS. FRANKS: Commissioner Jones.

COMMISSIONER: Approved.

MS. FRANKS: Commissioner Shull.

COMMISSIONER SHULL: Approved.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approved.

MS. FRANKS: By your vote you've adopted the minutes of the October 19, 2010, and October 20,

2010 minutes.

CHAIRMAN MATHEWSON: Roger.

DIRECTOR STOTTLEMYRE: Mr. Chairman, Item IV on the agenda is consideration of hearing officer recommendations, and Stephen Stark will present.

CHAIRMAN MATHEWSON: Okay. Morning, Steve. Proceed, sir.

MR. STARK: Good morning Commissioners.

THE COMMISSIONERS: Good morning.

MR. STARK: First on your agenda is Letter H, American Legion Post 297. This is the American Legion Hall in Union, Missouri. This is a bingo license case, and bingo discipline cases have a different procedure in that first, the Commission must file a petition with the Administrative Hearing Commission in order to obtain a finding that the facts and the evidence exist to support a cause for discipline.

In this case the Commission alleged that the American Legion possessed on its premises where it conducts its charitable bingo two video gambling devices. These gambling devices allowed players to wager credits purchased in a game of chance. That game of chance was something that was not within the player's control, and the player would have hopes of

receiving something of value in return.

In this particular situation, the players would exchange their winning number of credits for cash money, therefore these video devices fit the definition of gambling.

Furthermore, American Legion maintained the records of the gambling activities in order to share profits with the owners of the video devices. Now, as part of the Administrative Hearing Commission case, the American Legion did enter into a consent agreement waiving a formal hearing of the facts and then permitted the Administrative Hearing Commission to enter its own order stating that the American Legion is, indeed, subject to discipline based upon the agreed-upon facts.

So what American Legion contended to were three violations of law: One, possession of a gaming device; second, promoting gambling by profiting from unlawful gambling activity; third, possession of gambling records.

Now, the second phase of this matter is a disciplinary hearing to determine what, if any, discipline might be appropriate based on the facts as found as agreed upon at the Administrative Hearing Commission.

At the disciplinary hearing the evidence did show that the Commission had provided written warnings to all bingo licensees about having gambling devices upon their premises. Now, starting in September 2001, the Commission mailed to all bingo licensees, including American Legion here, a letter stating that the Commission will take action to revoke a bingo license of any organization that is found to have illegal gambling devices on its premises. No exceptions will be made to this policy.

This continuing warning occurred each and every time a bingo license was renewed. The Commission mailed a sheet of paper with each license renewal. The paper was labeled "Illegal Gambling Devices" and, in particular, it stated that if any illegal gambling devices are ever found anywhere on the premises of any bingo licensee, the organization's bingo license will be revoked.

At the disciplinary hearing a representative of the American Legion admitted that the organization's bingo license is indeed subject to discipline, but he asked something other than revocation occur.

The reason given, the organization and its members were very cooperative with the State's

investigation. The organization has a charitable purpose, and it is the proceeds from bingo and the concession stands during the bingo that provide the funds for its charitable activities, such as college scholarships and financial support to military veterans. And the organization does provide in a small town a worthwhile social activity not otherwise available.

Also this representative from the American Legion testified that he was aware of another bingo licensee that did not have its license revoked but rather suspended and placed on probation. He offered no specifics as to who that licensee was or the timing of that particular discipline of probation.

An official from the Gaming Commission, however, testified that since 2001 revocation has been the discipline for cases like this.

As for my conclusions, allow me to read from my written recommendations that I have provided to you. The acts of promoting illegal gambling, possessing gamble records and having illegal gambling devices on the premises of a bingo licensee discredits charitable bingo operations. State law demands strict regulation of charitable bingo

operations. State law gives much discretion to you, the commissioners, to impose discipline.

The severity of the violations committed by American Legion and the specific and repeated warnings from the Commission that revocation of the license would occur, without exception, for possessing gambling devices makes the discipline of revocation reasonable.

While the results of a license revocation will likely adversely impact the recipients of American Legion's charitable works, balancing that impact with the need to obey gambling laws favors strict compliance with the law.

Adequate warning occurred, and the consequences of revocation without exception were known. My recommendation of discipline is revocation of the bingo license of American Legion.

CHAIRMAN MATHEWSON: Steve, let me ask a question and then I'll ask the other commissioners if they have one. Sir, we don't do very many bingo revocations before us. You know, we don't have those very often.

If we approve this revocation, is that an infinite item or can they come back?

MR. STARK: Actually, I don't know. I

don't think it's permanent. I guess there's a process, maybe a process, a time frame for that.

CHAIRMAN MATHEWSON: Somebody going to tell us?

DIRECTOR STOTTLEMYRE: Yes.

CHAIRMAN MATHEWSON: Okay. Thank you.

MS. FARR: Rachel Farr, Charitable Games Manager. They -- in previous instances we have not had anyone get their license back. It is an in--

CHAIRMAN MATHEWSON: Have they applied?

MS. FARR: We have not had anyone apply. It's a revocation of their license.

CHAIRMAN MATHEWSON: So in this case, if this is approved, then the license that they're presently holding -- and I'm sorry. I've forgotten. How long is a bingo license? Is it annual?

MS. FARR: It's an annual license.

CHAIRMAN MATHEWSON: Okay. So the license they're presently holding would be revoked. Then could I assume, then, that if they applied after this year is over, whatever their year was on their license, that that just -- we'd have to deal with that if they did, right, since it hadn't been done before?

MS. FARR: Correct. We would have -- we

would take into consideration the fact that they had had gambling devices previously but, yes, we would look at their application again.

CHAIRMAN MATHEWSON: Okay. Any questions?

COMMISSIONER HATCHES: Yeah. Maybe staff or counsel -- I'd like to hear your response to that.

MR. BRADLEY: The revocation is of the current license.

CHAIRMAN MATHEWSON: That's why I asked that.

MR. BRADLEY: I mean, they have this annual license, and so the revocation is of their current license.

If they were to reapply, they would, of course, have to prove their suitability like everybody else does in the gaming area, so it could be up to the Commission's discretion if they were to reapply at some point down the road.

So the answer is: Not permanent, but it could be permanent depending on how the future commissions look at it.

COMMISSIONER HATCHES: So if their license, for example, was on a calendar year and that license was revoked in November, they could come back in January and reapply for that?

MR. BRADLEY: Yes.

COMMISSIONER HATCHES: Thank you.

CHAIRMAN MATHEWSON: Any other questions of Steve?

(No response.)

CHAIRMAN MATHEWSON: Is there anyone here that would like to speak on this from that American Legion hall or that community?

(No response.)

CHAIRMAN MATHEWSON: Okay. Then Chair would accept the motion on the recommendation of Steve on the revocation.

COMMISSIONER HATCHES: So moved.

COMMISSIONER JONES: Pardon me, Mr. Chairman, one thought, and I apologize. Will they be notified that they can reapply, you know, in the same correspondence, you know, that the revocation is going to take place?

DIRECTOR STOTTLEMYRE: It has not been done previously. They're not told that they can't reapply, but they are also not told that they could.

MR. BRADLEY: Just another point: They also have the right to appeal this decision, and the appeal in bingo -- as Steve has pointed out, the appeal in bingo is different than the riverboat

gaming.

The appeal would be the same as any other administrative action, and that appeal would be to circuit court, so they have the right to file an appeal with circuit court, and until that appeal is done, they'll still be able to conduct -- until -- they have thirty days.

Until the thirty days expires, this really isn't a final judgment, so they do have the right to appeal to circuit court. And the reason I bring up riverboat gaming -- it is confusing -- the specific statutes provide that in the riverboat gaming area your decisions go straight to the Missouri Court of Appeals, Western District, but this is the anomoly to that. This goes to circuit court.

CHAIRMAN MATHEWSON: Yeah.

COMMISSIONER HATCHES: Question, Mike, just on what you said, the 30-day window. They have thirty days after this?

MR. BRADLEY: After this --

COMMISSIONER HATCHES: To appeal?

MR. BRADLEY: -- to appeal to circuit court. It's the same as any other administrative action. I mean, your riverboat's the only one that I know of that's different.

COMMISSIONER MERRITT: Mr. Chairman?

CHAIRMAN MATHEWSON: Yes, sir.

COMMISSIONER MERRITT: If, in fact, they wait this 30 days to do their appeal and everything and they have 30 days to continue their operation after that time, if their license would expire and be renewed, a new license January 1, then they're not being disciplined any at all, so I think there needs to be some consideration on the length of time. Do we have any idea --

MR. BRADLEY: We would not issue a new license under those circumstances.

COMMISSIONER MERRITT: I beg your pardon?

MR. BRADLEY: We wouldn't issue a new license January 1 if they just, you know, waited to appeal. Now, what can happen is if they appeal, the judge could issue a stay order. It's within the judge's discretion to issue a stay order to allow them to continue to function as a licensee while the appeal is pending. That's judicial discretion. The judge can either do it or not do it. It's up to the local court.

COMMISSIONER MERRITT: My point on this is, we need to know that there is some time frame that there would be some discipline.

MR. BRADLEY: We haven't done it in the past. What has happened in the past is that if they're revoked, they're revoked and they don't get a new license. If they were to apply for a new license, we would deny them a new license.

They would have the opportunity to have a hearing on their denial of the new license, but one of the elements you look for when the licensee's proving their suitability is whether they've been revoked in any jurisdiction. We would use that as the fact of why they wouldn't get a new license is they've been revoked.

COMMISSIONER MERRITT: Okay.

MR. BRADLEY: Now, you know, if somewhere down the road they come in and say, We have completely new membership, the bad guys are gone and we've cleaned up our act, and you or the future commission decides to give them a license, that's something to take into account, but they're not --

COMMISSIONER MERRITT: I mean, that'd be fine. There is a little bit of a control from --

MR. BRADLEY: Right. Right.

COMMISSIONER MERRITT: Okay.

CHAIRMAN MATHEWSON: Any other questions of Steve or comments?

(No response.)

CHAIRMAN MATHEWSON: Okay. Angie, call roll, please.

COMMISSIONER SHULL: We have to --

CHAIRMAN MATHEWSON: I'm sorry. Chair would accept the motion. I'm sorry. I was getting ahead of myself.

COMMISSIONER HATCHES: So move.

COMMISSIONER MERRITT: Second.

CHAIRMAN MATHEWSON: We have a motion and a second before us to accept the recommendation from Steve for revocation.

Call roll, please.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approved.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approved.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approved.

MS. FRANKS: Commissioner Shull.

COMMISSIONER SHULL: Approved.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approved.

MS. FRANKS: By your vote you've adopted Resolution 10-001-B.

MR. STARK: Our next item, Item Letter I, Gayle Ezell, the allegations raised in this case are that Ms. Ezell, as a Level I licensee and as the director of surveillance, failed to train surveillance personnel on the function of a particular computer. The computer system was known as Health PC.

On January 11, 2010, eleven surveillance cameras at Ameristar, St. Charles, of which eight were required by regulation to be constantly recording, failed to record between 4:09 p.m. on January 10, 2010, to 5:55 a.m. on January 11, the next day, for nearly 12 hours without recording.

The cameras were in the poker room. During that time the surveillance personnel in the surveillance room could see realtime activities through the camera, but it was a recording system that was not functioning during those 12 hours.

Again, regulation requires a recording, and those recordings are supposed to be maintained for at least 14 days. Now, the system called the Health PC system is an alarm. It tells the surveillance personnel that a problem with the recording may be happening.

On that afternoon of January 10, the

Health PC system made an audible sound indicating an alarm that a possible malfunction was occurring. The supervisor on duty was Mr. John Granderson. What Mr. Granderson did upon the alarm sound was to go over to the Health PC monitor, looked it over, read the information off the monitor which identified camera numbers and locations. Then Mr. Granderson reviewed other systems related to the identified cameras and found what he thought was a system that was functioning properly.

The alarm system sound stopped. The lights were green and, again, Mr. Granderson believed that all was functioning as normal. Then Mr. Granderson went back to work in what he was doing before the alarm sounded. He was dealing with an employee evaluation at that time.

The correct procedure that Mr. Granderson should have followed was: When the alarm goes off, he needs to call technical support to be able to diagnose the problem; he needed to inform his supervisors, and he needed to record the alarm sound in a written journal. He did not do that, and it was 12 hours later when it was discovered that those cameras were not recording.

The Commission's investigation revealed

that Mr. Granderson stated that he did not understand the Health PC system, and Mr. Granderson stated that he had no training on how the Health PC alarm system functioned; however, the licensee presented other evidence with the testimony of several coworkers and other supervisors that all employees were, indeed, informed about the purpose of the Health PC system, that it was merely an alarm system, and then they were further trained on what to do when the alarm sounded.

The casino does have a system of training through written manuals, written tests, and one-on-one supervision, and my conclusion was that Mr. Granderson had gone through all that training.

The Health PC system is not really a computer system for the surveillance personnel to use in order to correct any problem. Again, it's merely an alarm system that just makes a sound when a potential problem exists.

The testimony of the other employees was that it's the computer technicians who should do the diagnostic work to correct the problems, not the surveillance personnel. What the Health PC system does is just to tell the surveillance personnel to call for help. An actual understanding of the

operations of the Health PC is really reserved for the technical support staff.

The bottom line is that Mr. Granderson failed to follow procedures. He didn't call for help. He didn't inform his supervisors. He did not record in any written journal the sound of the alarm.

While it's true that he may not have had particular training as to how the alarm system functions or how to interact with that particular alarm system, my conclusion was that the licensee, as the supervisor, as the director of surveillance -- and she has a higher license so she does have more responsibility -- but I could not find that there was anything else that she should have done in training Mr. Granderson or that she failed to do anything in the training of Mr. Granderson.

My recommendation is that grounds do not exist to discipline Ms. Ezell for a two-day suspension as stated in the preliminary order. My recommendation is to withdraw that preliminary order.

CHAIRMAN MATHEWSON: Any questions of Steve on this one?

(No response.)

CHAIRMAN MATHEWSON: Chair would accept the motion to accept the recommendation as Steve has

presented it.

COMMISSIONER SHULL: Move approval of Resolution No. 10-124.

COMMISSIONER JONES: Second.

CHAIRMAN MATHEWSON: Any discussions?

(No response.)

CHAIRMAN MATHWSON: Call roll, Angie, please.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approved.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approved.

MS. FRANKS: Commission Jones.

COMMISSIONER JONES: Approved.

MS. FRANKS: Commissioner Shull.

COMMISSIONER SHULL: Approved.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approved.

MS. FRANKS: By your vote you've adopted Resolution No. 10-124.

MR. STARK: The next item, next case, is Letter J, Loreto Vuong. Ms. Vuong holds a Level II occupational license. She's employed as a cage cashier. She is authorized to have access to certain sensitive keys. In this case the casino has a lock

system that stores its keys. It's called a King Morris Watchman System, and it contains a box with a swinging door that restricts access to the keys behind the swinging door.

On the date of April 7, 2010, Ms. Vuong placed a sensitive key into this lockbox and shut the door without determining that the door was properly latched. When she shut the door, the door did not actually close, and therefore the finding is is that the door was open and available for access by unauthorized personnel.

Ms. Vuong, in her testimony, admitted that the door had had problems in the past, apparently the keys were so thick that it didn't necessarily allow the door just to be slammed. It actually had to be pushed.

There is a regulation that does mandate that all licensees must exercise strict control over storage, custody, and return of sensitive keys. That's the regulation, and my finding based upon Ms. Vuong's own testimony and the testimony of the commissioners' agents is that a violation did occur, and that Ms. Vuong was responsible for that violation, and therefore the one-day suspension is appropriate as discipline, and that would be my

recommendation.

CHAIRMAN MATHEWSON: Is she still employed there, Steve? Do you know?

MR. STARK: Yes, at least at the time of the hearing. Yes.

CHAIRMAN MATHEWSON: Okay. Any questions of Steve?

(No response.)

CHAIRMAN MATHEWSON: Is Loreto Vuong here to make a comment?

(No response.)

CHAIRMAN MATHEWSON: Okay. Chair would accept the motion to adopt the order by Steve.

COMMISSIONER MERRITT: I make a motion that Resolution No. 10.125 be approved.

COMMISSIONER JONES: Second.

CHAIRMAN MATHEWSON: Any discussion?

(No response.)

Call roll, Angie, please.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approved.

MS. FRANKS: Commissioner Hatches.

CHAIRMAN HATCHES: Approved.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approved.

MS. FRANKS: Commissioner Shull.

COMMISSIONER SHULL: Approved.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approved.

MS. FRANKS: By your vote you've adopted Resolution No. 10-125.

MR. STARK: Our next case is Item K, David Muchnick. Mr. Muchnick made an application for employment in the gaming industry applying for a Level II occupational license.

The application process requires a complete disclosure of any past criminal involvement including any arrests, detention, plea of guilty in any type of past history. The application process is very specific in this particular question about past criminal involvement, and there is an interview conducted by a gaming agent or gaming investigator, and also written warnings are given to the applicant that there is this duty to disclose any type of arrest or convictions.

In fact, there are examples given as to what needs to be disclosed, and one of those examples is that an applicant pleads guilty to a crime, receives a suspended imposition of sentence and is placed on probation.

Mr. Muchnick responded to the application that there was no past criminal history whatsoever. The Commission's investigation, however, revealed that there was a plea of guilty to the offense charged of stealing over $50, a felony.

Mr. Muchnick had received a suspended imposition of sentence and was placed on probation for a period of two years. This particular plea of guilty occurred on July 25, 1975. The statute provides that a license shall not be granted if the applicant has pled guilty to or been convicted of a felony.

In this case in 1975, Mr. Muchnick did indeed plead guilty to a felony. His testimony, and I found it credible, that he was told by his lawyer to plead guilty, that there would be no conviction, case would be dismissed and erased from his record --

CHAIRMAN MATHEWSON: Yeah. Yeah. I remember.

MR. STARK: -- so Mr. Muchnick basically testified he didn't realize that he had a record of a felony, but the records clearly show a felony based on a guilty plea even though it may have been erased from his record later on.

Based on that and the mandate of the

statute, my conclusion is that his application should be denied for having pled guilty over 35 years ago.

CHAIRMAN MATHEWSON: Any questions of Steve on Mr. Muchnick?

(No response.)

CHAIRMAN MATHEWSON: Is David here? David Muchnick here?

(No response.)

CHAIRMAN MATHEWSON: No? Okay.

For you two newer members, this is not uncommon. That suspended imposition of sentence deal is still hanging out there. I mean, it's just almost a standard procedure that attorneys tell them that, and there is some case law that you can question but, you know -- on whether or not a person actually on a suspended imposition of sentence on a license -- I know we had a situation on a board that I sat on in a nursing home, and we called down to the nursing board and they said, Oops, you know, because they denied a license --

MR. BRADLEY: Yeah.

CHAIRMAN MATHEWSON: -- on a suspended imposition of sentence. They went ahead and approved the license. So, you know, I -- these always bother me, to be honest with you, and I know they do you,

Steve, because you've talked about it before, but --

MR. STARK: Yeah.

CHAIRMAN MATHEWSON: -- what is what is, you know, I guess, until we get a -- something proves otherwise we kind of have to go along with it.

MR. BRADLEY: Well, and the position -- and I hate saying this to you because you're a former state senator, but the issue goes back to the General Assembly when the --

CHAIRMAN MATHEWSON: Yeah, well, we were a lot.

MR. BRADLEY: Yeah. I mean, suspended imposition of sentence by law is not a conviction --

CHAIRMAN MATHEWSON: I know it isn't.

MR. BRADLEY: -- but that's why the language is put into the statute to cover a plea of guilty, because before you get a suspended imposition of sentence you've actually pled guilty.

CHAIRMAN MATHEWSON: Yeah, you've pled.

MR. BRADLEY: So by putting the language "he has pled guilty to or been convicted of" covers both a suspended imposition of sentence and a straight conviction so --

COMMISSIONER MERRITT: I don't guess it would be within our authority to recommend that the

attorneys that do this go back to law school and take that class over again?

CHAIRMAN MATHEWSON: I tell you what they would recommend, Jack. They would recommend the legislature do that, and some of us didn't have that opportunity, don't you know.

COMMISSIONER HATCHES: Question, Mr. Chairman.

CHAIRMAN MATHEWSON: Yes.

COMMISSIONER HATCHES: It may be a side bar. How do we treat expungements in the application process?

MR. BRADLEY: It is my legal opinion -- and I'm not sure if we've had any cases. It's my opinion that expungements do not eliminate the pleading guilty to. I mean, the language the legislature put in is "pleading guilty to." The expungement takes away the criminal record but does not take away the fact that you pled guilty to the crime.

And, you know, so that's -- and quite frankly, under Missouri law, an expungement would not be proper if you had plead guilty to a felony. The Missouri law on expungements -- again, it's the General Assembly -- they have taken away the

discretion from the trial court to grant expungements. They have to follow the law.

And expungements are only permitted if a person was arrested and no charges were filed, so it's really there just to get the person who was innocently arrested. They're also not permitted, if somebody has another conviction -- then they're not permitted if somebody has, obviously, pled guilty to the charge for which they're trying to get an expungement, so the expungement really just goes to the arrest.

So if you had somebody that pled guilty to a felony, under Missouri law they do not -- they're not entitled to it and, quite frankly, the highway patrol gets -- the superintendent of the patrol gets named in lawsuits on a weekly basis on expungements, and the Attorney General's office handles those statewide, and a great percentage of them are denied because they don't fit within the statutory elements.

COMMISSIONER HATCHES: Thank you.

CHAIRMAN MATHEWSON: You know, it's interesting. Last night we were having dinner, and I was surrounded by former highway patrolmen. I believe that we ought to have expungement in certain

circumstances, okay? My highway patrol friends all disagree with me, including that one back there in uniform. They said, No. No. No.

Go ahead, Roger. I'm sorry.

DIRECTOR STOTTLEMYRE: One thing I think is important to remember is that these people are all advised that even if they have received a suspended imposition of sentence, they still need to put on their application that they have a conviction or that they have pled guilty to, even if it was suspended, so they have -- they're warned more than once about this during the application process to be sure and enter on there -- at least put it on there.

COMMISSIONER HATCHES: Yeah, but that's the same --

CHAIRMAN MATHEWSON: Well, that's right. That's what I was just going to say, Barrett. Same thing. I mean, so they're not going to be hired because they put that on there, right, I mean, so they still lose.

COMMISSIONER HATCHES: Not going to be penalized twice.

CHAIRMAN MATHEWSON: Yeah. There you go.

COMMISSIONER HATCHES: At least they told the truth.

CHAIRMAN MATHEWSON: Okay. We have before us the recommendation on the issue.

COMMISSIONER SHULL: Move approval of the Resolution 10-126.

COMMISSIONER HATCHES: Second.

CHAIRMAN MATHEWSON: Any discussion?

(No response.)

CHAIRMAN MATHEWSON: Call roll, Angie, please.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approved.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approved.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approved.

MS. FRANKS: Commissioner Shull.

COMMISSIONER SHULL: Approved.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approved.

MS. FRANKS: By your vote you've adopted Resolution No. 10-126.

MR. STARK: Our next case, Letter L, Brian Black: Mr. Black made application for a Level II occupational license. One of the questions on that application is, Have you ever been arrested,

detained, charged, convicted, pled guilty to any crime or offense? And Mr. Black did respond "yes." He did disclose that he had been charged for battery, aggravated assault, and mislaid property, all of which, those three items, he identified as being dismissed.

Again, as part of the application process, there is disclosure that there is this requirement that anything dealing with an arrest needs to be disclosed. In fact, the disclosure form identifies several examples, one of which says that you need to disclose if the applicant has been handcuffed by police, taken to the police station, fingerprinted, held for questioning, but later released without any charges being filed. That type of activity needs to be reported to the Commission in the application process.

The commissioners' investigation revealed that Mr. Black has been arrested on June 6, 2001, by the East St. Louis police. That failure to make a disclosure would give the Commission the discretion to refuse the occupational license.

What Mr. Black testified to was that he did admit to having been taken to the police station, having been handcuffed, having been fingerprinted,

but his concern was that everybody in the neighborhood had been taken down to the police station because there was a murder case that everybody was being blamed for, apparently, and as such he didn't feel that he was truly arrested when everybody in the neighborhood had to go down to the police station.

Well, the record does show that there was an arrest. He was fingerprinted, handcuffed, all those items that are listed in the application as being required to be disclosed, so having that finding does give the commissioners discretion to deny his application, and that would be my recommendation for his failure to disclose that particular item.

CHAIRMAN MATHEWSON: Any questions of Steve on Brian Black?

(No response.)

CHAIRMAN MATHEWSON: Is Mr. Black here?

(No response.)

COMMISSIONER MERRITT: I guess East St. Louis kind of deals with that philosophy that, you know, just kill them all and let God sort it out.

CHAIRMAN MATHEWSON: I think you're right, Jack. At least they used to. I don't know if

there's anybody still over there anymore. I thought they just almost wiped that whole area out. They went into bankruptcy on a lawsuit, as I remember. Hell, it'll bankrupt the whole city.

Okay. Chair would accept the motion on the recommendation of Steve on Brain Black.

COMMISSIONER JONES: Move for the acceptance of Resolution of No. 10-127.

COMMISSIONER MERRITT: Second.

CHAIRMAN MATHEWSON: Any discussion?

(No response.)

CHAIRMAN MATHEWSON: Call roll, Angie, please.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approved.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approved.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approved.

MS. FRANKS: Commissioner Shull.

COMMISSIONER SHULL: Approved.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approved.

MS. FRANKS: By your vote you've adopted Resolution No. 10-127.

MR. STARK: Our next case is Item Letter M, Scott Guerra. Mr. Guerra made application for a Level II occupational license. Again, the application requires a disclosure of any arrest, being detained, charged, or convicted of any crime.

The process does give adequate warning and disclosure that this information is very much a part of the application process, and any failure to properly disclose past criminal acts will result in a denial of the license application.

Mr. Guerra responded "no" to the application question about past crime, and the Commission's investigation did reveal that Mr. Guerra had been arrested and convicted for petty theft in Santa Ana, California, in 1989.

At the hearing Mr. Guerra admitted that he did now remember the arrest from 1989. He just merely had forgotten about it at the time of the application. With that failure to disclose and the adequate warnings given to Mr. Guerra, my recommendation is that the Commission deny the application of a gaming license to Mr. Guerra.

CHAIRMAN MATHEWSON: Any questions of Steve on Mr. Guerra?

(No response.)

CHAIRMAN MATHEWSON: Is Mr. Guerra here, by chance?

(No response.)

CHAIRMAN MATHEWSON: No? Okay.

Chair would accept the motion to accept the recommendation.

COMMISSIONER HATCHES: Move for Resolution No. 10-128.

COMMISSIONER SHULL: Second.

CHAIRMAN MATHEWSON: Any discussion?

(No response.)

CHAIRMAN MATHEWSON: Call roll, Angie, please.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approved.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approved.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approved.

MS. FRANKS: Commissioner Shull.

COMMISSIONER SHULL: Approved.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approved.

MS. FRANKS: By your vote you've adopted Resolution No. 10-128.

CHAIRMAN MATHEWSON: Thanks, Steve.

MR. STARK: That concludes my presentation.

CHAIRMAN MATHEWSON: Thank you, sir.

Roger, Roger.

DIRECTOR STOTTLEMYRE: Mr. Chairman, Item V on the agenda is consideration of reorganization and licensure of certain key business entities, and Clarence Greeno will present.

MR. GREENO: Mr. Chairman, Commissioners, behind Tab N is Resolution 10-129 regarding the reorganization and licensure of Isle of Capri Casinos, Incorporated, key business entities.

B.I.J.R.R. Isle, Inc., B.I. Isle Partnership, LP, and Goldstein Group, Inc., are each key business entities of Isle of Capri Casinos, Incorporated. These entities are constituted of trusts of the Goldstein family, all of which are managed by Richard A. Goldstein, Jeffrey D. Goldstein, and Robert S. Goldstein.

Each of the entities was licensed by the Missouri Gaming Commission as a key business entity, and each of the Goldstein brothers is licensed as a key person, not only of Isle of Capri Casinos, Incorporated, but of the key business entities as

well.

The Goldstein family wishes to reorganize the family trust into one entity known as GFIL Holdings, L.L.C, jointly controlled by Richard A. Goldstein, Jeffrey D. Goldstein, and Robert S. Goldstein. The existing key business entities will cease to hold or control any Isle of Capri Casinos, Incorprated, shares.

Before you today is a recommendation for licensure of GFIL Holdings, L.L.C., as the holder of and controlling entity of the shares previously held by the three licensed entities.

I'd be happy to answer any questions.

CHAIRMAN MATHEWSON: I have a smart remark. I just noticed we're still recording. I just thought it'd be a little irony after previous action of this Commission, that we deny this.

COMMISSIONER SHULL: It appears that all the individuals are presently licensed with us --

MR. GREENO: Yes, sir.

COMMISSIONER SHULL: -- and yet this is reorganization?

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

COMMISSIONER SHULL: I'd move for approval for Resolution 10-129.

COMMISSIONER MERRITT: Second.

CHAIRMAN MATHEWSON: Any discussion?

(No response.)

CHAIRMAN MATHEWSON: Call roll, Angie, please.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approved.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approved.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approved.

MS. FRANKS: Commissioner Shull.

COMMISSIONER SHULL: Approved.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approved.

MS. FRANKS: By your vote you've adopted Resolution No. 10-129.

DIRECTOR STOTTLEMYRE: Mr. Chairman, Item VI is consideration of change of control and finding of suitability for licensure of certain Class A and B licensees. Sergeant George Hamilton will present.

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

THE COMMMISSIONERS: Good morning.

MR. HAMILTON: You will notice under Tab O

there are two resolutions: One for the company Herbst Gaming, L.L.C., and the second for SPH Investment, L.L.C, SPH Manager, L.L.C., and six key persons associated with these companies.

On March 22, 2009, Herbst Gaming, Incorporated, and it's subsidiaries, which include HGI-St. Jo, doing business as Terrible's St. Jo Frontier Casino and HGI-Mark Twain, doing business as Terrible's Mark Twain Casino, filed for relief under Chapter 11 of the United States Bankruptcy court for the District of Nevada.

As part of these proceedings, Herbst Gaming, Incorporated, will be dissolved, and Herbst Gaming, L.L.C., will assume all assets and liabilities.

On January 12, 2010, SPH Investment, L.L.C., and SPH Manager, L.L.C., wholly-owned subsidiaries of Silver Point Capital, L.P., and their principals filed applications for licensure to the Missouri Gaming Commission due to their beneficial equity ownership of Herbst Gaming, L.L.C.

On June 17, 2010, Herbst Gaming, L.L.C., and their principals made application to the Missouri Gaming Commission due to the change in control of Herbst Gaming, Incorporated, a Class A licensee.

The key persons that submitted applications are as follows: Edward A. Mule, Co-Chief Executive Officer of Silver Point Capital, L.P.; Robert J. O'Shea, Co-Chief Executive Officer of Silver Point, Capital, L.P.; Don R. Kornstein, Chairman of the Board of Directors for Herbst Gaming, L.L.C.; Michael D. Rumbolz, Member of the Board of Directors for Herbst Gaming, L.L.C.; Scott D. Henry, Member of the Board of Directors for Herbst Gaming, L.L.C.; and Thomas M. Benninger, Member of the Board of Directors for Herbst Gaming, L.L.C.

Missouri State Highway Patrol investigators, along with the Missouri Gaming Commission financial investigators, conducted background investigations on these companies and their associated key persons.

The investigation included, but was not limited to, criminal, civil, financial, and general character inquiries of the 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.

I'd be happy to answer any questions you have.

CHAIRMAN MATHEWSON: Sir, this is part of the ongoing bankruptcy --

MR. HAMILTON: Correct.

CHAIRMAN MATHEWSON: -- bringing it out of that, I guess?

MR. HAMILTON: Correct.

CHAIRMAN MATHEWSON: Okay. Any questions?

(No response.)

CHAIRMAN MATHEWSON: Chair would accept the motion --

DIRECTOR STOTTLEMYRE: Mr, Chairman, if I could --

CHAIRMAN MATHEWSON: Sir.

DIRECTOR STOTTLEMYRE: We have two resolutions here. Resolution 10-130 approves the change in control of Herbst Gaming, Incorporated, to Herbst Gaming, L.L.C., and authorizes the issuance of a Class A license to Herbst Gaming, L.L.C., and Class B licenses to HGI-St. Jo, L.L.C., and HGI-Mark Twain, L.L.C., upon receipt of documentation evidencing consumation of the bankruptcy proceedings. That's

what the first resolution does.

The second resolution, 10-131, approves the licensing of SPH Investment, L.L.C., and SPH Manager, L.L.C., as key business entities of Herbst Gaming, L.L.C., as well as the licensing of the key persons associated with these three entities.

These resolutions can both be voted on at the same time, if you wish to do it that way.

CHAIRMAN MATHEWSON: Roger, one of you, on a reorganization plan like this, they're presently operating under a license as Herbst; right?

DIRECTOR STOTTLEMYRE: Yes, sir.

CHAIRMAN MATHEWSON: If we were to adopt these resolutions, do we, in essence, just carry forth their existing license time frame-wise or do we start over again by saying that, you know, this is effective December 1 or whatever?

I mean, do we start -- do we give them a brand-new license or are we just continuing the one they have?

MR. GREENO: Sir, we are licensing a brand-new parenting company, Herbst Gaming, L.L.C., so they will begin just like any other new parent company, and each of the facilities will be licensed for one year, and they will come back.

This resolution really approves the change of control and authorizes the issuance of the license upon the consumation of the bankruptcy, or that is evidence of the consumation of the bankruptcy.

When we receive that, then the license will be issued to the Class A, the parent, and the two Class B's, and this new entity will really begin again and would be licensed -- each of the casinos would be licensed for one year.

CHAIRMAN MATHEWSON: Okay. So until we receive that conclusion on the bankruptcy, we don't know when that's going to be, do we? I mean, I assume it's in the bankruptcy court and --

MR. GREENO: Correct.

CHAIRMAN MATHEWSON: -- it's been going on for quite a while now, so we should be getting close to a conclusion, I would think.

MR. GREENO: The consumation of the bankruptcy is contingent upon receiving approval from the regulatory agencies involved, that being the Iowa Racing and Gaming Commission, the Missouri Gaming Commission, and Iowa Gaming Control Board, and they have already received approval in the state of Iowa. Of course, ours is before you today, and then the

state of Nevada takes place later in the month, I believe on the 10th.

CHAIRMAN MATHEWSON: Okay.

MR. GREENO: After the bankruptcy court receives the documentation of approval by the regulatory agencies, the bankruptcy judge can then authorize the consumation of the bankruptcy, and then at that point when we get evidence of that consumation, then we can issue a license.

CHAIRMAN MATHEWSON: We can start a brand-new license.

MR. GREENO: Yes, sir.

MR. BRADLEY: Mr. Chairman, if I might, one of the things that's important to remember in the situations where we have bankruptcies is the license is issued by the Missouri Gaming Commission. It is not an asset of the bankruptcy estate, and we would fight vehemously if a bankruptcy court ordered the Commission to give a license to somebody that we didn't believe was suitable, to it's important that this is --

CHAIRMAN MATHEWSON: Good for you. I would want that. I think we all would.

MR. BRADLEY: -- this is our license. It's not the company's license.

CHAIRMAN MATHEWSON: Okay. Any other discussion, Commissioners?

(No response.)

CHAIRMAN MATHEWSON: Chair would accept a motion on both resolutions in one vote then.

COMMISSIONER HATCHES: Move to approve Resolution 10-130 and Resolution 10-131.

COMMISSIONER JONES: Second.

CHAIRMAN MATHEWSON: Any discussion?

(No response.)

CHAIRMAN MATHEWSON: Call roll, Angie, please.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approved.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approved.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approved.

MS. FRANKS: Commissioner Shull.

COMMISSIONER SHULL: Approved.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approved.

MS. FRANKS: By your vote you've adopted Resolution Nos. 10-130 and 10-131.

DIRECTOR STOTTLEMYRE: Mr. Chairman, the

next item on the agenda is consideration of change of name of a Class A licensee, and Clarence Greeno will present.

MR. GREENO: Mr. Chairman, Commissioners, behind Tab P is Resolution 10-132 regarding a change in the name of Class A Licensee, Harrah's Entertainment, Inc. Harrah's Entertainment, Inc., a Delaware corporation, holds a Missouri Gaming Commission-issued Class A license as the parent company of Class B licensees Harrah's Maryland Heights, L.L.C., and Harrah's North Kansas City, L.L.C.

Harrah's Entertainment, Inc., has notified the Commission the name of the Class A licensee has officially been changed to Ceasar's Entertainment Corporation. This resolution acknowledges the name change and authorizes a Class A license be issued in the name of Ceaser's Entertainment Corporation.

CHAIRMAN MATHEWSON: They withdrew that, didn't they, Clarence?

MR. GREENO: No, they did not withdraw the name change. They withdrew the IPO.

CHAIRMAN MATHEWSON: Okay. I knew they withdrew that.

MR. GREENO: Yes, sir, but they have changed their name.

CHAIRMAN MATHEWSON: Okay. Well, that's not sitting right in my brain. I mean, they want to -- we have before us the change in their name for a relicensure under a new name, in essence?

MR. GREENO: Correct. This will authorize us to issue a Class A license to the parent under its new name.

CHAIRMAN MATHEWSON: I guess them issuing a new IPO, to be honest with you, didn't fit right in my brain either because the parent company owes billions of dollars -- has millions of dollars of assets, too, but -- and as I remember that IPO, fully filled was only for about 500,000,000. Doesn't that sound right to somebody else? I think that's right.

And I mean, I never did -- that didn't ever make any sense to me. You understand what I'm saying? Really, I'm off subject, and I apologize, but when I read that, I thought, Well, why would you do a new IPO for 500,000,000 when you owe 14,000,000,000, or whatever it was. You know, that wouldn't even make a spec.

COMMISSIONER SHULL: Try 25.

CHAIRMAN MATHEWSON: Is it

25,000,000,000?

MR. GREENO: This really doesn't change the equities or liabilities of the company itself. It's just a matter of them changing the name of the corporation.

CHAIRMAN MATHEWSON: Okay.

COMMISSIONER SHULL: The price was about two-thirds of what they thought it was.

CHAIRMAN MATHEWSON: Well, there you go. Okay. Probably rightfully so.

Okay. So any questions of Clarence on this?

(No response.)

CHAIRMAN MATHEWSON: Okay. All right. I got off subject.

Chair would accept the motion to adopt the name change on two casinos in Missouri.

COMMISSIONER SHULL: Move for approval of Commission Resolution No. 10-132.

COMMISSIONER JONES: Second.

CHAIRMAN MATHEWSON: Any discussion?

(No response.)

CHAIRMAN MATHEWSON: Call roll, Angie, please.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approved.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approved.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approved.

MS. FRANKS: Commissioner Shull.

COMMISSIONER SHULL: Approved.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approved.

MS. FRANKS: By your vote you've adopted Resolution No. 10-132.

CHAIRMAN MATHEWSON: Mr. Roger.

DIRECTOR STOTTLEMYRE: Item VIII on the agenda is consideration of relicensure of certain suppliers, and Lieutenant Rex Scism will present.

CHAIRMAN MATHEWSON: Good morning, Rex.

MR. SCISM: Good morning.

Mr. Chairman and Commissioners, Missouri State Highway Patrol investigators conducted the relicensing investigation of three 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 the key persons

associated with each of the companies.

The results of these investigations were provided to the MGC staff for their review, and you possess summary reports before you which outline our investigative findings.

The following supplier companies are being presented for your consideration this morning -- we have three of them. First is Atlantic City Coin and Slot Service Company of Pleasantville, New Jersey.

CHAIRMAN MATHEWSON: Okay. Any questions of Rex on this?

(No response.)

CHAIRMAN MATHEWSON: None? Okay.

Chair would accept the motion to adopt 10-133, please.

COMMISSIONER MERRITT: So moved.

COMMISSIONER JONES: Second.

CHAIRMAN MATHEWSON: Any discussion.

(No response.)

CHAIRMAN MATHEWSON: Call roll, Ms. Angie, please.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approved.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approved.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approved.

MS. FRANKS: Commissioner Shull.

COMMISSIONER SHULL: Approved.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approved.

MS. FRANKS: By your vote you've adopted Resolution No. 10-133.

MR. SCISM: The second supplier company is Atronic Americas, L.L.C., of Las Vegas, Nevada.

COMMISSIONER SHULL: Move to approve the Resolution of 10-134.

COMMISSIONER JONES: Second.

CHAIRMAN MATHEWSON: Any discussion?

(No response.)

CHAIRMAN MATHEWSON: Call roll, please.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approved.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approved.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approved.

MS. FRANKS: Commissioner Shull.

COMMISSIONER SHULL: Approved.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approved.

MS. FRANKS: By your vote you've adopted Resolution No. 10-134.

MR. SCISM: And the final supplier or licensee for your consideration this morning is Gaming Laboratories International, L.L.C., of Lakewood, New Jersey.

COMMISSIONER HATCHES: Move for approval of Resolution 10-135.

COMMISSIONER MERRITT: Second.

CHAIRMAN MATHEWSON: Any discussion?

(No response.)

CHAIRMAN MATHEWSON: Call roll, please.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approved.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approved.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approved.

MS. FRANKS: Commissioner Shull.

COMMISSIONER SHULL: Approved.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approved.

MS. FRANKS: By your vote you've adopted

Resolution No. 10-135.

MR. SCISM: Thank you.

CHAIRMAN MATHEWSON: Thank you, Rex.

DIRECTOR STOTTLEMYRE: Mr. Chairman, Item IX is consideration of licensure of certain suppliers, and Sergeant Brian Holcomb will present.

MR. HOLCOMB: Morning, Mr. Chairman, Commissioners.

CHAIRMAN MATHEWSON: Morning.

THE COMMISSION: Morning.

MR. HOLCOMB: You'll notice under Tab T there are two resolutions, one for the company Lightning Poker, Incorporated, and the second for the company's five associated key persons.

Lightning Poker, Incorporated, a subsidiary of Lightning Gaming, Incorporated, made application to the Missouri Gaming Commission on October 15, 2009, in order to be licensed as a riverboat gaming supplier.

Founded in 2004, Lightning Gaming develops and markets poker tables and slot machines for the gaming industry. Investigators from the Missouri Gaming Commission and the Missouri State Highway Patrol conducted an investigation of Lighting Poker to aid in determining the company's suitability

for licensure.

This investigation consisted of jurisdictional inquiries, feedback from affected gaming company clients, and an examination of disciplinary action, litigation, and business credit profiles. The comprehensive investigation also included an individual background investigation on the five following key people: Brian D. Haveson, Chairman of the Board and Chief Executive Officer and Shareholder; Christopher G. Strano, President; Robert D. Ciunci, Chief Financial Officer and Secretary; Frederick C. Tecce, Director and Shareholder; Donald R. Caldwell, Director and Shareholder.

The individual background investigations consisted of criminal, civil, and financial inquiries as well as a review of each person's educational background, work history, and record of compliance with various regulatory bodies.

Lightening Poker and the company's five associated key pesons are being presented at this time for your consideration. A comprehensive summary report was submitted to the Missouri Gaming Commission staff. You possess a copy of that summary before you. The investigating officers are also available to answer any questions you may have at

this time.

CHAIRMAN MATHEWSON: Any questions?

(No response.)

CHAIRMAN MATHEWSON: Let's see. I was trying to look here, see if we could combine those two, but I don't think we can, can we?

DIRECTOR STOTTLEMYRE: You can.

CHAIRMAN MATHEWSON: Cannot or could?

DIRECTOR STOTTLEMYRE: You can.

CHAIRMAN MATHEWSON: Can?

DIRECTOR STOTTLEMYRE: Yes, sir.

CHAIRMAN MATHEWSON: Okay.

Chair would accept the motion, then, to adopt 10-136 and 10-139 as one vote.

COMMISSIONER JONES: So moved.

COMMISSIONER HATCHES: Second.

CHAIRMAN MATHEWSON: Any discussion?

(No response.)

CHAIRMAN MATHEWSON: Call roll, Angie, please.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approved.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approved.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approved.

MS. FRANKS: Commissioner Shull.

COMMISSIONER SHULL: Approved.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approved.

MS. FRANKS: By your vote you've adopted Resolution Nos. 10-136 and 10-139.

CHAIRMAN MATHEWSON: Mr. Roger.

DIRECTOR STOTTLEMYRE: Item 10 on the agenda is consideration for licensure of Level I and key applicants, and Lieutenant Rex Scism will present.

CHAIRMAN MATHEWSON: Nice to see you again, Rex.

MR. SCISM: It's been a long time, hasn't it?

CHAIRMAN MATHEWSON: It has. God, I missed you.

MR. SCISM: Mr. Chairman and Commissioners, Missouri State Highway Patrol investigators, along with Gaming Commission financial investigators conducted a comprehensive background investigation on Level I and key applicants.

The investigation included, but was 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 this morning. First is Chester W. Opolski, Chief of Security for Ameristar Casino in Kansas City; Kim C. Sumimoto, vice President of casino operations for Ameristar, Kansas City; Thomas McCormick, Executive Vice President and General Counsel for Atlantic City Coin & Slot; Jason S. Seelig, Executive Vice President of Corporate Sales for Atlantic City Coin & Slot; Jeffrey P. Seelig, Chief Financial Officer for Atlantic City Coin & Slot; Jerald C. Seelig, Executive Vice President and General Manager for Atlantic City Coin & Slot; Maxie E. Seelig, President for Atlantic City Coin & Slot; Kathryn Lever, Executive Vice President and General Counsel for Global Cash Access; Robert C. Melendres, Chief Legal Officer and Corporate Secretary and director for International Game Technology; Christopher John Satchell, Chief Technology Officer for

International Game Technology, and finally Joshua Mathis, Surveillance Director for Lumiere Place Casino.

The results of these investigation were provided to the Gaming Commission staff for their review, and you have all the applicants' summary reports before you.

CHAIRMAN MATHEWSON: Okay. Any questions of Rex?

(No response.)

CHAIRMAN MATHEWSON: Chair would accept a motion on 10-137, please.

COMMISSIONER HATCHES: So moved.

COMMISSIONER JONES: Second.

CHAIRMAN MATHEWSON: You have a motion and a second. Any discussion?

(No response.)

CHAIRMAN MATHEWSON: Call roll, Angie, please.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approved.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approved.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approved.

MS. FRANKS: Commissioner Shull.

COMMISSIONER SHULL: Approved.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approved.

MS. FRANKS: By your vote you've adopted Resolution No. 10-137.

MR. SCISM: Thank you.

CHAIRMAN MATHEWSON: Thanks, Rex.

DIRECTOR STOTTLEMYRE: Mr. Chairman, Item XI on the agenda, consideration of disciplinary actions, Mike Bradley will present.

MR. BRADLEY: Good morning.

THE COMMISSION: Good morning.

MR. BRADLEY: Before you today behind Tab No. V is a preliminariary order for disciplinary action, and as we've discussed in the past, this is a preliminary order. The licensee has the opportunity to request a hearing within thirty days. If the licensee does not request a hearing, the preliminary order becomes a final order, and they're obligated to take whatever discipline is dealt them.

The proposed discipline in this case

is on PNK, L.L.C., which is the River City Casino, and this is a proposed discipline for minors in the casino. The factual basis of this proposed discipline is on July 4, 2010, two minors were able to get onto the casino floor at River City. They were there past midnight and were discovered around 1:30 the next morning on July the 5th.

The two minors were 17 years of age. One was a male and one was a female. The female was actually discovered by the property security dispatch person and -- a security officer who notified dispatch, who contacted Sergeant Moore of the State Highway Patrol assigned to that casino.

They were able to apprehend the 17-year-old female, and after apprehending her, the patrol did a routine investigation, took her back and began questioning her. During the course of the questioning, they were able to discover that she wasn't there by herself, that she was there with three other adults whose ages were in the late 50s, early 60s, and another 17-year-old male, who was her boyfriend.

The 17-year-old male was never

apprehended at the casino that evening, but based on the questioning of the 17-year-old female and review of the surveillance video, the facts were able to be put together that about 10:07 on July 4th the three adults and two minors were able to get into the casino through the turnstyle.

The adults tried to create a distraction to let the minors go in, but irregardless, they were able to get onto the floor. So they were there from ten o'clock that evening till at least around a little after one the next morning.

During this time frame, the one good thing about this, the minors did not consume any alcohol that was discovered, but going through the video, you're able to go back and follow them when they came through and just follow those individuals on what they did, so the facts were basically all put together by the video.

The female, she played seven separate slot machines during this time period, and she played for approximately 27 minutes, so she was there at the slot machines. The 17-year-old male played at four separate slot

machines for approximately 23 minutes, plus he played at two table games for approximately 20 minutes. He played three-card poker, which is a table game, and then for approximately eight minutes he played blackjack.

He was able to also purchase $100 worth of chips and play in the poker room for approximately 15 minutes, so this 17-year-old was able to not only get past the turnstyle and play slot machines, he was actually able to play table games as well.

Based on the investigation that Sergeant Moore did, you know, found out the male's name and that sort of thing, was able to contact him and have him report the next day, and he was given a summons for minor in the casino as well, so each of them were caught, but the male was never caught while at the casino. He was able to come, play slot machines, play table games and leave without ever being discovered.

Because this entire situation shows a systematic issue with the minors in the casino -- and I kind of analogize it to a football game where the turnstyles is a line, but the gal got

past the line, got past the linebacker, got tackled by the defensive backs. The guy made it all the way to the touchdown. He got past everybody and never was caught, and that just shows a systematic problem that the casino had that evening.

It wasn't -- you can't blame it all on the security officer at the turnstyle. It's the responsibility of everybody in the casino, all the casino employees and, obviously, these people at the table games never questioned him and asked for an ID.

I mean, once they got on, it's a provision they be 21, and the casino did not fulfill it's obligations to do that, so we're recommending a $25,000 fine in this situation.

CHAIRMAN MATHEWSON: Any questions?

COMMISSIONER MERRITT: Was the individual that created the distraction identified and any action taken there?

MR. BRADLEY: No action was taken, but they were identified. They were relatives trying to sneak their people in.

COMMISSIONER MERRITT: They should have been hooked up.

MR. BRADLEY: I don't believe they filed criminal charges against them, but they were interviewed.

CHAIRMAN MATHEWSON: Yeah, the amazing thing about all this to me is the 17-year-old kid spent all that time over there. Hell, I've gone on a casino and -- the State before I was on the Gaming Commission, and I lasted about five or six minutes and blew my 500 and went home. I mean, this kid lasted for quite a while. Pretty good gambler, or caught them on -- well, whatever.

MR. BRADLEY: Hopefully he doesn't have a lot of practice. Hopefully we got him the one time.

CHAIRMAN MATHEWSON: We're waiting for him to turn older; right?

Chair would accept the motion on the recommendation of legal counsel.

COMMISSIONER MERRITT: I make a motion that we accept DC-10-417.

COMMISSIONER JONES: Second.

CHAIRMAN MATHEWSON: Any discussion?

(No response.)

CHAIRMAN MATHEWSON: I think that's

their first violation on minors, isn't it?

MR. BRADLEY: Second violation. We did one up -- up at Sugar Creek we did one, and that's still in the works. Hasn't come back yet.

CHAIRMAN MATHEWSON: Okay. Any further discussion?

(No response.)

CHAIRMAN MATHEWSON: Call roll, Angie, please.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approved.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approved.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approved.

MS. FRANKS: Commissioner Shull.

COMMISSIONER SHULL: Approved.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approved.

MS. FRANKS: By your vote you've adopted DC-10-417.

CHAIRMAN MATHEWSON: I'd be careful, Commissioners, with this next one, because it looks to me like a pretty shady deal, giving the

Chairman power.

DIRECTOR STOTTLEMYRE: Item XII on the agenda is delegation of authority for the Chairman. The Missouri Gaming Commission has the authority to delegate to the Chairman of the Commission the limited authority to extend any existing license for up to sixty days. It delegates Chairman Mathewson the limited authority pursuant to 11 CSR 45-1.0204 to extend any existing license for up to sixty days without a prior vote of the Commission. This resolution shall expire on December 1, 2011.

CHAIRMAN MATHEWSON: First of all, I didn't ask for this, so you know.

DIRECTOR STOTTLEMYRE: It's a continuing --

CHAIRMAN MATHEWSON: It's a continuing resolution. You had it. Then I got it, and now I got it again, I guess. You-all voted for it so --

COMMISSIONER SHULL: I move approval.

COMMISSIONER HATCHES: Do we have to vote on this?

COMMISSIONER JONES: I didn't hear a second.

CHAIRMAN MATHEWSON: I haven't heard one yet either.

COMMISSIONER MERRITT: I second it.

CHAIRMAN MATHEWSON: Thank you. Okay.

Any further discussion?

(No response.)

CHAIRMAN MATHEWSON: Call roll, Angie, please.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approved.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approved.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approved.

MS. FRANKS: Commissioner Shull.

COMMISSIONER SHULL: Approved.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Let's don't tell Commissioner Hatches where we're having the next meeting. We'll let him wander around like he did the other time.

Okay. Roger, please.

DIRECTOR STOTTLEMYRE: Did you get a vote from him?

MS. FRANKS: No.

CHAIRMAN MATHEWSON: Oh. Did I vote? I -- I -- I'll voir dire.

MS. FRANKS: By your vote you've adopted Resolution No. 10-138.

DIRECTOR STOTTLEMYRE: Item XIII is consideration of rules and regulations. Clarence Greeno will present.

CHAIRMAN MATHEWSON: Clarence, nice to see you again.

MR. GREENO: Thank you, sir. Good to see you.

Mr. Chairman, Commissioners, behind Tab X is a proposed amendment to 11 CSR 45-12.090, revising the restrictions for consumption of alcoholic beverages by employees of Class A and Class B licensees.

Regulation presently allows only Level I licensees or applicants, the licensees' food and beverage director, and corporate officers to consume alcoholic beverages in nongaming areas of the premises for business purposes and only upon written authorization of the executive director.

This limitation creates a situation

where casino licensees must hold employee functions, such as awards and recognition dinners and ceremonies, training of beverage servers, as well as other business functions at offsite locations thereby incurring unnecessary costs when the facilities are available on property.

The proposed regulation allows the excursion liquor licensee to submit to the director a written request for authorization for employees to consume alcoholic beverages in the nongaming areas of the premises as specific functions sponsored by the licensee.

Blanket authorizations are not allowed, but rather requests must be submitted for each specific function. The proposal would also allow requests for training of beverage servers on property.

I'd be happy to answer any questions relative to the proposed amendment.

CHAIRMAN MATHEWSON: I'm trying to figure out exactly why we need to do this. You know, it doesn't upset me if we have it before us. I'm just trying to figure it out.

MR. GREENO: I think one of the

primary reasons, Mr. Chairman, is that the regulation forces the casino licensee to hold their functions off the premises and pay another entity for rental space, food costs, and beverage costs --

CHAIRMAN MATHEWSON: Oh, okay.

MR. GREENO: -- that they have available on their own premises.

CHAIRMAN MATHEWSON: Okay. That makes sense. They don't do any business with each other, I guess.

COMMISSIONER HATCHES: This restricts where they can do it in the casino floor.

CHAIRMAN MATHEWSON: Yeah. It can't be in the casino.

MR. GREENO: It has to be off the casino floor.

COMMISSIONER HATCHES: Off the boat, yeah.

MR. GREENO: Right, off the casino floor.

CHAIRMAN MATHEWSON: They'll start drinking more since it's on them. I don't know. They're a motley lot.

Any other comments? Concerns?

(No response.)

CHAIRMAN MATHEWSON: Chair would accept the motion on this rule change.

COMMISSIONER MERRITT: I would move to approve the proposed amendment of 11 CSR 45-12.090.

CHAIRMAN MATHEWSON: Thank you, sir.

COMMISSIONER SHULL: Second.

CHAIRMAN MATHEWSON: Any discussion?

(No response.)

CHAIRMAN MATHEWSON: Call roll, Angie, please.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approved.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approved.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approved.

MS. FRANKS: Commissioner Shull.

COMMISSIONER SHULL: Approved.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approved.

MS. FRANKS: By your vote you've adopted Proposed Amendment 11 CSR 45-12.090.

DIRECTOR STOTTLEMYRE: Item XIV on

the agenda is consideration of relicensure of bingo manufacturers and suppliers, and Corporal Mike Finnegan will present.

MR. FINNEGAN: Mr. Chairman, Commissioners, today I'm presenting several companies for relicensure as suppliers or manufacturers of bingo products in the state of Missouri.

All bingo supplier and manufacturer licenses are issued for the calendar year and expire on December 31st of each year. The relicensure of both manufacturers and suppliers includes, but is not limited to, federal and state tax checks, customer and product lists, corporate organization, gaming license checks, as well as various criminal and financial background checks on each company's key persons.

You may notice that some of the companies mentioned hold dual licenses. The primary difference between relicensing a manufacturer and a supplier is a bond requirement, which is incumbent upon a supplier as they are responsible for paying tax on the items sold.

The following four companies have

applied for relicensure of their supplier's license: Games Galore, All American Bingo, Bingo Supply Center, and GameTech International.

CHAIRMAN MATHEWSON: Any questions?

(No response.)

CHAIRMAN MATHEWSON: Chair would accept the motion on Resolution 10-002-B.

COMMISSIONER JONES: So moved.

COMMISSIONER SHULL: Second.

CHAIRMAN MATHEWSON: Any discussion?

(No response.)

CHAIRMAN MATHEWSON: Call roll, Angie, please.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approved.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approved.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approved.

MS. FRANKS: Commissioner Shull.

COMMISSIONER SHULL: Approved.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approved.

MS. FRANKS: By your vote you've adopted Resolution No. 10-002-B.

MR. FINNEGAN: The following ten companies have applied for relicensure of their manufacture's license: Universal Manufacturing Company, Douglas Press, International Gameco, Arrow International, GameTech International, Fortunet, Pollard Games, VKGS, MMG, and Les Enterprises Carosielli.

Thank you.

CHAIRMAN MATHEWSON: Any discussion? Questions?

(No response.)

CHAIRMAN MATHEWSON: Chair would accept the motion to adopt the licensure under 10-003-B.

COMMISSIONER JONES: So moved.

COMMISSIONER MERRITT: Second.

CHAIRMAN MATHEWSON: Any discussions?

(No response.)

CHAIRMAN MATHEWSON: Call roll, please.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approved.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approved.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approved.

MS. FRANKS: Commissioner Shull.

COMMISSIONER SHULL: Approved.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approved.

MS. FRANKS: By your vote you've adopted Resolution No. 10-003-B.

CHAIRMAN MATHEWSON: Roger, Roger.

DIRECTOR STOTTLEMYRE: Item XV on the agenda is new business. The staff has no new business for you at this time.

CHAIRMAN MATHEWSON: Thank you, Jesus.

DIRECTOR STOTTLEMYRE: We've had plenty of business today.

CHAIRMAN MATHEWSON: Yes, we certainly have. Okay.

DIRECTOR STOTTLEMYRE: Item XVI would be old business, if you have no new business.

CHAIRMAN MATHEWSON: I have no old business. Do you have any old business?

DIRECTOR STOTTLEMYRE: I do not.

CHAIRMAN MATHEWSON: Anyone have any old business?

COMMISSIONER JONES: Before we go

into closed session, Chairman, I'd like to welcome John Nathan back.

CHAIRMAN MATHEWSON: Oh, good. Thank you.

COMMISSIONER JONES: Thanks, John.

CHAIRMAN MATHEWSON: It's good to have you back, buddy.

MR. NATHAN: Good to be back.

CHAIRMAN MATHEWSON: Glad to see you improving. I think you've had enough time off, though, so get your ass back to work.

COMMISSIONER MERRITT: With that said, I would make a motion that we go into closed meeting under Section 313.847 and 610.021(1), (11), (12) and (14).

COMMISSIONER HATCHES: I wish you could have made that motion before.

COMMISSIONER MERRITT: Yeah, a little too slow.

MS. FRANKS: We need a second.

COMMISSIONER HATCHES: Second.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Approved.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Approved.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Approved.

MS. FRANKS: Commissioner Shull.

COMMISSIONER SHULL: Approved.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approved.

CHAIRMAN MATHEWSON: Okay.

(The meeting concluded.)

CERTIFICATE OF REPORTER

I, Nancy L. Silva, RPR, CCR, within and for the State of Missouri, do hereby certify that the witness' testimony that appears in the foregoing proceeding 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 proceeding 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.

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Nancy L. Silva, RPR, CCR

**MISSOURI GAMING COMMISSION**
**Open Session Minutes**
**December 1, 2010**

The Missouri Gaming Commission (the "Commission") went into open session at approximately 11:39 a.m. on December 1, 2010, at the Missouri Gaming Commission's Jefferson City office.

**Commissioner Jones moved to adjourn the open session meeting. Commissioner Merritt seconded the motion. After a roll call vote was taken, the motion passed unanimously.**

The close session ended at 11:40 a.m.