

BEFORE THE MISSOURI GAMING COMMISSION

STATE OF MISSOURI

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MEETING

April 25, 2012

Missouri Gaming Commission

3417 Knipp Drive

Jefferson City, Missouri

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COMMISSIONERS PRESENT:

James L. Mathewson, Chairman

Suzanne Bocell Bradley

Barrett Hatches

Darryl Jones

Jack L. Merritt

REPORTED BY:

Jennifer Leibach, CCR No. 1108

TIGER COURT REPORTING, LLC

3610 Buttonwood, Suite 200

Columbia, Missouri 65201

573.886.8942

AGENDA

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A. March 28, 2012

III. Consideration of Hearing Officer Recommendation

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## PROCEEDINGS

1  
2 CHAIRMAN MATHEWSON: Okay. Meeting will come  
3 to order, please. Would you call role, Angie, please?

4 MS. FRANKS: Commissioner Merritt?

5 COMMISSIONER MERRITT: Present and accounted  
6 for.

7 MS. FRANKS: Commissioner Hatches?

8 COMMISSIONER HATCHES: Present.

9 MS. FRANKS: Commissioner Jones?

10 COMMISSIONER JONES: Present.

11 MS. FRANKS: Commissioner Bradley?

12 COMMISSIONER BRADLEY: Present.

13 MS. FRANKS: Chairman Mathewson?

14 CHAIRMAN MATHEWSON: Yes, present.

15 Thank you. Before we move on to -- to the  
16 consideration of the minutes, let me just take a couple  
17 minutes to recognize one of our very own. Mrs. Bradley  
18 received the honor last Thursday in St. Louis for Women's  
19 Justice Award for Missouri Lawyers Weekly, which was not  
20 something she competed for.

21 COMMISSIONER BRADLEY: No, I didn't.

22 CHAIRMAN MATHEWSON: Well, she did, but she  
23 wasn't intentionally competing for. She competed over a  
24 period of time and in her outstanding work in the business  
25 practitioner field as an attorney. So let's everybody

1 recognize.

2 (Applause.)

3 COMMISSIONER BRADLEY: Thank you.

4 CHAIRMAN MATHEWSON: Nice honor, lady. Well  
5 deserved.

6 So now the Chair would accept a Motion to  
7 Approve the March 28, 2012, minutes, please.

8 COMMISSIONER MERRITT: So moved.

9 COMMISSIONER HATCHES: Second.

10 CHAIRMAN MATHEWSON: Any second? Call role,  
11 please, Angie.

12 MS. FRANKS: Commissioner Merritt?

13 COMMISSIONER MERRITT: Approve.

14 MS. FRANKS: Commissioner Hatches?

15 COMMISSIONER HATCHES: Approve.

16 MS. FRANKS: Commissioner Jones?

17 COMMISSIONER JONES: Approve.

18 MS. FRANKS: Commissioner Bradley?

19 COMMISSIONER BRADLEY: Approve.

20 MS. FRANKS: Chairman Mathewson?

21 CHAIRMAN MATHEWSON: Approve.

22 MS. FRANKS: By your vote, you've adopted the  
23 minutes of the March 28, 2012, meeting.

24 CHAIRMAN MATHEWSON: Very good. Thank you.

25 Outstanding. Roger, are we ready to move on here?

1                   MR. STOTTLEMYRE: We're ready to go. The next  
2 item on the agenda would be Consideration of Hearing Officer  
3 Recommendation, and Mr. Steve Stark will present.

4                   CHAIRMAN MATHEWSON: Good morning, Steve.

5                   MR. STARK: Good morning. Good morning,  
6 Commissioners. The first item is your Letter B, the case of  
7 Eric Hullaby. Mr. Hullaby was a holder of a Level II  
8 occupational license enabling him to be employed in the  
9 gaming industry.

10                   On February 10th, 2011, the licensee was  
11 employed as a security officer for a casino in Kansas City.  
12 The licensee and another employee of that same casino both  
13 had an equally strong interest in the same woman.

14                   CHAIRMAN MATHEWSON: Oh.

15                   COMMISSIONER BRADLEY: Holy cow.

16                   (An off-the-record discussion was held.)

17                   MR. STARK: But -- but Mr. -- but Mr. Hullaby  
18 --

19                   COMMISSIONER HATCHES: You need to give us  
20 more of the facts.

21                   MR. STARK: Mr. Hullaby sent threatening  
22 messages to the other employee basically threatening bodily  
23 harm and death, relative to his communication with the other  
24 woman and with himself.

25                   The law is that any act being committed that

1 might be injurious to the public health, safety, morals, good  
2 order, general welfare of the people of the state of Missouri  
3 or that might credit -- or excuse me, that might discredit or  
4 tend to discredit the Missouri gaming industry would be  
5 grounds for discipline.

6 My finding was that his threats through text  
7 messages to the other employee did constitute threats of  
8 bodily harm or death and indeed was injurious to the public  
9 health and did not reflect well upon the gaming industry.

10 The Commission proposed a revocation of Mr.  
11 Hullaby's license. Mr. Hullaby did not show up for his  
12 hearing that was scheduled. He had adequate notice of place  
13 and time where that hearing is. We have a regulation that  
14 indicates a failure to appear at your hearing would  
15 constitute an admission of the allegations made in the  
16 preliminary order for disciplinary action. So my finding  
17 would be that it would be appropriate and my recommendation  
18 would be that Mr. Hullaby's license be revoked.

19 CHAIRMAN MATHEWSON: Any questions of Steve on  
20 this one?

21 COMMISSIONER BRADLEY: Was he terminated after  
22 -- after this event?

23 MR. STARK: By the casino? I do not know that  
24 that ever came into the record. I don't know. I don't know.

25 COMMISSIONER BRADLEY: Since he wasn't there

1 to testify --

2 CHAIRMAN MATHEWSON: Well, obviously, the fact  
3 that we just terminated him caused him to not have a job  
4 because he doesn't have a license, right?

5 MR. STARK: Well, no, that's your decision  
6 today.

7 COMMISSIONER BRADLEY: Right. Until today he  
8 has a license.

9 MR. STARK: He still has a license.

10 COMMISSIONER BRADLEY: I just didn't know if  
11 he was still employed.

12 MR. STARK: That, I do not know.

13 CHAIRMAN MATHEWSON: Okay. Do we have any  
14 idea who got the woman?

15 COMMISSIONER MERRITT: I think we should have  
16 had her here to see if it was really worth all of this.

17 CHAIRMAN MATHEWSON: You know, I always worry  
18 about things like that.

19 Okay. Chair would accept a motion on  
20 resolution number --

21 COMMISSIONER HATCHES: I think I'll stay out  
22 of this one.

23 CHAIRMAN MATHEWSON: Is Mr. Hullaby here?

24 (No response.)

25 CHAIRMAN MATHEWSON: Let the record reflect he

1 is not here.

2 All right. Good. I guess we will never know.

3 Chair will accept a motion on 027, please, the  
4 recommendation of staff.

5 COMMISSIONER JONES: Move for the acceptance  
6 of Resolution No. 12-027.

7 COMMISSIONER BRADLEY: Second.

8 CHAIRMAN MATHEWSON: Any discussion? Call  
9 role, Angie, please.

10 MS. FRANKS: Commissioner Merritt?

11 COMMISSIONER MERRITT: Approve.

12 MS. FRANKS: Commissioner Hatches?

13 COMMISSIONER HATCHES: Approve.

14 MS. FRANKS: Commissioner Jones?

15 COMMISSIONER JONES: Approve.

16 MS. FRANKS: Commissioner Bradley?

17 COMMISSIONER BRADLEY: Approve.

18 MS. FRANKS: Chairman Mathewson?

19 CHAIRMAN MATHEWSON: Approve.

20 MS. FRANKS: By your vote, you've adopted  
21 Resolution No. 12-027.

22 CHAIRMAN MATHEWSON: Steve?

23 MR. STARK: Commissioners, our next item,  
24 Letter C, is the case of Michael Harrington, and I understand  
25 that Mr. Harrington has actually submitted a consent to the

1 discipline and a consent, I guess, to the Findings. And my  
2 understanding from the general counsel is that we can have  
3 this case dismissed off the docket.

4 MR. GREWACH: I spoke to Mr. Harrington. He  
5 put that document in the mail us to and I'd be comfortable  
6 and request the Commission just pass this item. When I get  
7 -- he's going to withdraw his request for hearing. When I  
8 get that document, then we'll just go ahead and close out the  
9 file by sending him the appropriate letter at that point in  
10 time.

11 CHAIRMAN MATHEWSON: Okay. Okay. So we'll  
12 take no action on this today, right, Ed?

13 MR. GREWACH: That would be my recommendation.

14 CHAIRMAN MATHEWSON: Okay. Next?

15 MR. STARK: Next time is your Item D, Midwest  
16 Game Supply Company. Midwest Supply -- Midwest Game Supply  
17 is a holder of a suppliers license granted by the Commission  
18 which enabled it to provide gaming equipment and related  
19 services to the gaming industry.

20 This case involves an allegation that Midwest  
21 Game Supply associated itself with a person who had an -- an  
22 extensive police record and was a convicted felon. The  
23 persons involved in this case include a gentleman named  
24 Donald Rutherford who owns Mid-South Gaming, a gentleman  
25 named James Nevin Moorman, who is President of East Coast

1 Slots in Florida, and the Isle of Capri Casino located in  
2 West Lake, Louisiana.

3 Now, during the month of May, 2010,  
4 Mr. Rutherford of Mid-South Gaming and the Isle of Capri  
5 Casino in Louisiana negotiated a purchase of 20 gaming --  
6 electronic gaming devices. Now, Mr. Rutherford himself did  
7 not own these gaming devices, but rather he served as a  
8 broker of the sale between the casino and another supplier  
9 being the East Coast Slots of Florida.

10 On June 17th, 2010, the casino submitted  
11 payment of 20 percent deposit for the purchase of these  
12 electronic gaming devices to Mr. Sutherland [sic]. Now,  
13 Mid-South Gaming, or Mr. Southern [sic] himself, were not  
14 holders of any supply license in order to transact business  
15 in Louisiana. Also, East Coast Slots of Florida was not a  
16 holder of a supply -- suppliers license to conduct business  
17 in Louisiana either.

18 However, at this time, Midwest Game Supply  
19 Company with its home office here in Missouri was a holder of  
20 a suppliers license granted by the Louisiana Department of  
21 Public Safety. So Mr. Rutherford made arrangements with  
22 Midwest Game to ship these 20 electronic gaming devices to  
23 the casino in Louisiana.

24 Midwest Game did apply for and receive the  
25 permit -- the authorization from Louisiana to actually ship

1 these 20 gaming devices into the state of Louisiana. Now, in  
2 its application, Midwest Game identified the location of the  
3 20 gaming devices at an address in Florida, which happened to  
4 be the same address as East Coast Slots, not its address in  
5 Missouri. So the 20 gaming devices were shipped into the  
6 state of Louisiana from Florida, and Midwest Game received a  
7 \$2,000 fee for its assistance in facilitating this shipment.

8 Later in the year, October, 2010, the  
9 Louisiana Gaming Control Board determined that there was a  
10 violation of law at the casino in Louisiana for the purchase  
11 of these 20 gaming devices in that it was from a  
12 non-permitted vendor located in Florida. So Louisiana deemed  
13 that that Florida address was not the appropriate vendor for  
14 transporting the machines into Louisiana.

15 Louisiana asserted a \$25,000 fine against the  
16 casino and its further remedy required the casino to reverse  
17 the transaction by shipping those gaming devices out of the  
18 state of Louisiana. Well, the parties got together and  
19 shipped the gaming devices from Louisiana to Missouri to the  
20 address of Midwest Game, then Midwest Game turned around and  
21 shipped the devices back to Louisiana in order to show that  
22 it had the proper address from a permitted vendor.

23 The problem that the Missouri Gaming  
24 Commission found with these transactions involving these 20  
25 machines was that the president of East Coast Slots,

1 Mr. Moorman, had an extensive police record. His criminal  
2 history included a conviction for two counts on the charge of  
3 possession of cocaine and possession of drug paraphernalia, a  
4 misdemeanor conviction in the state of Texas for possession  
5 of controlled substance based on two different arrests,  
6 driving while license suspended following two different  
7 arrests as well.

8 The evidence at the hearing was that these  
9 records of criminal history on Mr. Moorman were available  
10 through an Internet search. So the issue raised at the  
11 hearing was whether or not Midwest Game actually conducted  
12 due diligence to learn about Mr. Moorman's background.

13 Midwest Game did obtain proof that East Coast  
14 Slots had registered with the United States Department of  
15 Justice under a federal law known as the Gambling Devices Act  
16 of 1962. Midwest also gained proof that East Coast Slots had  
17 a resale certificate issued from the state of Florida.  
18 Additionally, Midwest Game was able to show a letter from the  
19 Louisiana Department of Public Safety that its involvement in  
20 this transaction did not violate any regulation governing the  
21 gaming industry in the state of Louisiana.

22 So Midwest Game believed that it had done its  
23 background checks on Mr. Moorman due to the ability of  
24 Mr. Moorman to register his company with the federal  
25 government and with the state of Florida. However, in

1 Missouri, the law clearly states that a licensee cannot  
2 employ or contract with a person convicted of or pled guilty  
3 to a felony.

4 The law actually goes beyond just employment  
5 in contracting with a felon so as to say that the licensee  
6 cannot even associate with someone who has a police record.  
7 And not only in business affairs but also having a social  
8 association with that convicted felon.

9 So my finding was that the Department of  
10 Justice registration, the Florida's granting a resale  
11 certificate, and the letter from Louisiana was not an  
12 adequate defense to show due diligence in learning about  
13 criminal history. Whether it knew it or not, Midwest Game  
14 did associate itself with a felon who also had an extensive  
15 police record from both Texas and Florida. So grounds do  
16 exist for discipline.

17 Then the next issue came up was the amount of  
18 the discipline. The proposed penalty was \$15,000. Midwest  
19 Game argued that that was way too excessive and not  
20 reasonably related to the circumstances. The company only  
21 received a \$2,000 transaction fee. The financial records of  
22 Midwest Game showed that for its profits for supplying  
23 products classified as slots was less than \$14,000 for the  
24 year 2010, and Midwest Gaming did take some corrective  
25 action.

1           They now require all its customers and its  
2 vendors to complete a due diligence form which contains a lot  
3 of questions seeking criminal history, regulatory actions,  
4 compliance with taxing authorities. So their argument is  
5 that they really did all they could and have taken corrective  
6 actions and they're a small company with little profit and  
7 the \$15,000 penalty was too excessive.

8           Well, the law does give you, the Commission, a  
9 lot of discretion in setting the penalty. While we may want  
10 to praise Midwest Game for taking corrective action, there's  
11 nothing to justify that I could find for a reduction of this  
12 penalty. Authority exists for the \$15,000 penalty. My  
13 recommendation, my conclusion is that it's appropriate and  
14 that the decision of the Commission staff dated May 26th,  
15 2011, was the proper present against Midwest Game's license.

16           CHAIRMAN MATHEWSON: Hmm. Interesting  
17 scenario there, Steve. So -- so help me out here. I think,  
18 if I'm looking at this date and my memory serves me  
19 correctly, this was the only meeting I've ever missed, I  
20 think, because this is signed by -- Noel Shull, so I must not  
21 have been there. I think that's when my sister passed away,  
22 I believe, that weekend, if I remember correctly.  
23 So -- so help me out, Steve, or Ed, somebody  
24 here. I mean, so we -- we've already assessed -- the  
25 Commission -- this has been before the Commission previously?

1 MR. STARK: I'm not --

2 CHAIRMAN MATHEWSON: Well, it says -- the  
3 violation under the law of action and our admissions of  
4 employees raised in the company as associated in business  
5 affairs, personal extensive police records, et cetera, et  
6 cetera. And while that says the recommended penalty is  
7 \$15,000, I don't see where the Commission took action other  
8 -- well, it does.

9 It is proposed the Commission fine Midwest  
10 Game Supply Company in the amount of \$15,000 for violations  
11 set forth herein, and it's signed by Noel Shull, Vice  
12 Chairman at that time. So have we not already -- this  
13 Commission has already taken action and this is like an  
14 appeal to that or where are we?

15 MR. GREWACH: Not technically an appeal. That  
16 Order that you just referred to was the preliminary order of  
17 discipline that's issued by the Commission. Then the  
18 licensee has 30 days to request a hearing. And then at the  
19 hearing, then really the subject comes back to the Commission  
20 new. I mean, you could assess that original fine, you could  
21 assess one higher, lower, you could take whatever action you  
22 think is appropriate under the facts of the case.

23 But the initial preliminary resolution is like  
24 a charge, just like if a prosecutor is going to charge you  
25 with a crime.

1                   CHAIRMAN MATHEWSON: Okay.

2                   MR. GREWACH: Or -- or someone is going to sue  
3 you for a specific amount of money. If you don't answer  
4 within the time required, then that is going to be the  
5 judgment against you. But here when you go to a hearing, go  
6 this route, then it's presented to the Commission for their  
7 decision. You're not bound by that 15,000, but that was  
8 obviously the staff's recommendation at the point in time  
9 that we presented it to the Commission.

10                  CHAIRMAN MATHEWSON: Okay. So -- so they did  
11 -- they did, then, appeal it within the 30 days, right?

12                  MR. STARK: Yes. Yes, that's correct.

13                  CHAIRMAN MATHEWSON: Okay. Steve, then help  
14 me out. That was May, 2011. It's also May, 2012, in a few  
15 days. Where's this been for a year? I mean, it looks to me  
16 like the investigation had already been done prior to that  
17 preliminary hearing.

18                  MR. STARK: Yes, it would have been because  
19 the -- you're right, the --

20                  CHAIRMAN MATHEWSON: I mean, it says so.

21                  MR. STARK: -- the preliminary order was  
22 signed on May 26th, so everything was done.

23                  CHAIRMAN MATHEWSON: I don't want to hang on  
24 that, but was there some other problem here? I'm just  
25 looking for a reason why we might have not had this back

1 before us --

2 MR. STARK: Oh, okay.

3 CHAIRMAN MATHEWSON: -- in a year's time.

4 MR. STARK: Well, that may be my fault in  
5 trying to get it scheduled. I don't actually recall any  
6 history of multiple continuances, but this hearing did take  
7 place in Kansas City and so -- I think in December, actually,  
8 is when the hearing took place.

9 CHAIRMAN MATHEWSON: So bottom line is, the  
10 preliminary was \$15,000 penalty, was fined for them. They've  
11 appealed that. You are back now saying you don't accept  
12 their -- their points that they made in their appeal process,  
13 now it's back to us to verify the 15,000. Is that where we  
14 are?

15 MR. STARK: Or you still have discretion to  
16 decide otherwise.

17 CHAIRMAN MATHEWSON: I understand we can  
18 change it.

19 MR. STARK: Correct.

20 CHAIRMAN MATHEWSON: But you know, it looked  
21 to me like we spent several thousand dollars' worth of paper,  
22 you know, to get through all this, which we probably needed  
23 to, because that's a complicated case.

24 MR. STARK: Yes.

25 CHAIRMAN MATHEWSON: Because we're playing

1 interstate here. You know, we're bouncing around between  
2 several states of investigation, aren't we?

3 MR. STARK: Correct, correct.

4 CHAIRMAN MATHEWSON: Any other questions of  
5 Steve or Ed?

6 COMMISSIONER BRADLEY: Let me ask a question:  
7 Is that because of the -- I'm sorry, I forget why, the  
8 reasoning for the fine, for the 15,000. That is more than  
9 the profit that this company made. Is that because it was  
10 interstate or what?

11 MR. STARK: No, I don't think that's it. And  
12 I'm not sure exactly how the \$15,000 was calculated. I just  
13 figured that my review of it was to see if there was  
14 authority to select that amount, and that was my conclusion  
15 that the authority did exist. So I don't know if there's any  
16 thought process with the interstate commerce being a part of  
17 it or not, but it's not so much the transactions across state  
18 lines as it is with dealing with a felon. That's the  
19 violation.

20 MR. GREWACH: And I can probably answer a  
21 little better the question about the staff's view on the fine  
22 amount. You know, the -- first of all, I'd probably like to  
23 say that, you know, I've seen those figures. I mean, and I  
24 don't want to -- I don't have any proof that they are  
25 accurate or inaccurate. You know, they're just typewritten

1 on a piece of paper saying this is what our profits were.

2 So we look at it more of what would be the  
3 appropriate fine for this conduct. And the really troubling  
4 thing about this case, and I know Mr. Stark has gone into  
5 some detail, but you have a situation where this Rutherford  
6 from Mid-South brokers this deal between East Coast Slots,  
7 who's owned by a man named Moorman, and this Isle of Capri  
8 property in Louisiana. Gets the deal worked out and then  
9 comes to -- realizes, well, East Coast Slots is not licensed  
10 in Louisiana, never could be because of this guy's criminal  
11 history.

12 So they basically go find Midwest Game Supply  
13 and say just put your name on this paperwork. And as  
14 Mr. Stark eluded to, even the initial paperwork showed it  
15 being shipped from Midwest Slots, who's in Kearney, Missouri,  
16 but gave an address of Florida, to ship these 20 machines  
17 there. That's -- that's why when it got to Louisiana,  
18 Louisiana regulators had a problem with it.

19 The money all along went from -- paid from  
20 Isle of Capri, was paid to Rutherford at Mid-South.  
21 Rutherford turns the money over to Midwest Game Supply.  
22 Midwest Game Supply takes \$4,000 out of the purchase price,  
23 sends the rest of it out to East Coast Slots; 2,000 of that  
24 four went to the registration that Louisiana requires on the  
25 slot machines; 2,000 they kept. And 2,000 was their profit

1 for doing -- for basically lending out their license for  
2 somebody else's use.

3 We only caught it because we had a strange  
4 shipping request. Here's a shipping request where machines  
5 are going from Louisiana to Kearney, Missouri, back the same  
6 day to Louisiana. Didn't make sense. Looked a little  
7 further into it and this is what we found.

8 The troubling thing from the staff's point of  
9 view is that we take great pains to license suppliers. We  
10 would not allow East Coast Slots to be a supplier in  
11 Missouri. Very easy when you talk about due diligence, as  
12 Mr. Stark said, they just did a Google search on -- on  
13 Moorman, and found -- and you look when you see at pages 31  
14 through 35 of his transcript, I mean, he's got pending  
15 charges for trafficking cocaine, charge for trafficking  
16 ecstasy. I mean, he's got a very, very extensive criminal  
17 history that goes back quite some time.

18 So what happened here is basically  
19 circumventing our whole license process. All the vetting we  
20 do to prove a licensee, you don't need a license, and I  
21 understand this happened in Louisiana, but the same thing  
22 could happen in Missouri. You don't need a Missouri license,  
23 just find some Missouri licensee to sign off on it for you.  
24 And all of a sudden, we're doing business with people who we  
25 would never do business with and should not do business with

1 here.

2 So that's why the \$15,000 fine was considered  
3 because we think this is a very, very bad transaction, that's  
4 troublesome going forward even, and we really want to send  
5 that message that it should not be done.

6 COMMISSIONER HATCHES: Excuse me. And for me,  
7 Mr. Chairman, as to the part that bothers me the most, the  
8 intent on the shipping back, change the address and make it  
9 look. I mean, so, you know, you can't say they didn't know  
10 what they were doing was not right. They knew it and they  
11 tried to get around the rules. And so that's most troubling  
12 for me.

13 MR. GREWACH: Yes.

14 CHAIRMAN MATHEWSON: Any -- yeah, Jack.

15 COMMISSIONER MERRITT: Along the same lines,  
16 they were part of -- I'll use the term loosely, but a  
17 conspiracy to defeat the system by doing this. So they may  
18 be lucky just getting by with \$15,000 and still being able to  
19 participate here.

20 COMMISSIONER HATCHES: Right.

21 COMMISSIONER MERRITT: When they intentionally  
22 violate the rules, to accidentally violate the rules. And  
23 then would it be possible that -- that Linda Sohm, who wrote  
24 this hateful letter, would she be here today to answer some  
25 of these?

1                   MR. GREWACH: I can address that as well. She  
2 had -- she had planned to be here, and of course she attended  
3 the hearing. And she called us yesterday to ask that the  
4 hearing be continued. She wanted to continue it to the month  
5 of June in Kansas City. But we typically don't have  
6 Mr. Stark come to those remote locations when we meet there,  
7 you know, just to the ones here in Jeff City. And besides,  
8 it was staff's feeling that that was too long.

9                   So we gave her the option of hearing it today,  
10 or that we could continue it until May to have it heard at  
11 that hearing. She indicated that she was not in a position  
12 to travel to Jefferson City on either one of those two dates,  
13 and so she told -- her instructions to me were to proceed  
14 with the hearing in her absence. I sent her an e-mail  
15 confirming that conversation and confirming those  
16 instructions to me.

17                  CHAIRMAN MATHEWSON: Okay. Good discussion.  
18 Very good.

19                  COMMISSIONER HATCHES: Good investigation.

20                  CHAIRMAN MATHEWSON: Yeah, that's great,  
21 picking that up the way you did.

22                  Okay. Any other comments? Chair will accept  
23 a motion to accept the recommendation of the \$15,000 penalty  
24 in this case.

25                  COMMISSIONER HATCHES: I move for acceptance

1 of Resolution No. 12-029.

2 COMMISSIONER MERRITT: Second.

3 CHAIRMAN MATHEWSON: Call role, Angie, please.

4 MS. FRANKS: Commissioner Merritt?

5 COMMISSIONER MERRITT: Approve.

6 MS. FRANKS: Commissioner Hatches?

7 COMMISSIONER HATCHES: Approve.

8 MS. FRANKS: Commissioner Jones?

9 COMMISSIONER JONES: Approve.

10 MS. FRANKS: Commissioner Bradley?

11 COMMISSIONER BRADLEY: Approve.

12 MS. FRANKS: Chairman Mathewson?

13 CHAIRMAN MATHEWSON: Approve.

14 MS. FRANKS: By your vote, you've adopted

15 Resolution No. 12-029.

16 MR. STARK: That concludes my cases. Thank

17 you.

18 CHAIRMAN MATHEWSON: Thanks, Steve.

19 Mr. Director.

20 MR. STOTTLEMYRE: Mr. Chairman, the next item

21 on the agenda is Consideration of Relicensure of Suppliers,

22 and Sergeant Sammy Seaton will present.

23 CHAIRMAN MATHEWSON: Good morning, sir.

24 SERGEANT SEATON: Mr. Chairman, Commissioners,

25 good morning.

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

9 The results of these investigations were  
10 provided to the MGC staff for their review and you possess  
11 summary reports before you, which outline our investigative  
12 findings. The following supplier companies are being  
13 presented for your consideration: Elektroncek d.d. of  
14 Menges, Slovenia --

15 MR. STOTTLEMYRE: We need to go ahead and do  
16 these one at a time as far as the vote goes on each  
17 resolution.

18 CHAIRMAN MATHEWSON: Okay. Okay. Any  
19 questions for Sergeant on Resolution 12-030?

20 (No response.)

21 CHAIRMAN MATHEWSON: Seeing none, Chair will  
22 accept a motion, please.

23 COMMISSIONER MERRITT: I make a motion to  
24 accept Resolution 12-030.

25 COMMISSIONER JONES: Second.

1 CHAIRMAN MATHEWSON: Any discussion?

2 Call role, Angie, please.

3 MS. FRANKS: Commissioner Merritt?

4 COMMISSIONER MERRITT: Approve.

5 MS. FRANKS: Commissioner Hatches?

6 COMMISSIONER HATCHES: Approve.

7 MS. FRANKS: Commissioner Jones?

8 COMMISSIONER JONES: Approve.

9 MS. FRANKS: Commissioner Bradley?

10 COMMISSIONER BRADLEY: Approve.

11 MS. FRANKS: Chairman Mathewson?

12 CHAIRMAN MATHEWSON: Approve.

13 MS. FRANKS: By your vote, you've adopted

14 Resolution No. 12-030.

15 CHAIRMAN MATHEWSON: Sergeant.

16 SERGEANT SEATON: Next is Interblock USA, L.C.

17 of Las Vegas, Nevada.

18 CHAIRMAN MATHEWSON: Any questions for the

19 Sergeant on this one?

20 (No response.)

21 CHAIRMAN MATHEWSON: Chair will accept a

22 motion of 12-031, please.

23 COMMISSIONER HATCHES: Move for acceptance of

24 Resolution No. 12-031.

25 COMMISSIONER JONES: Second.

1 COMMISSIONER BRADLEY: Second.

2 COMMISSIONER JONES: I think we need to go on  
3 a break.

4 CHAIRMAN MATHEWSON: I think so too. You're a  
5 little slow.

6 (An off-the-record discussion was held.)

7 CHAIRMAN MATHEWSON: Where are we? Goofing  
8 off here and I forgot.

9 Okay. We have a motion and a second and we  
10 need to call role. Is that kind of where we are, Ang? Let's  
11 do that, please.

12 MS. FRANKS: Commissioner Merritt?

13 COMMISSIONER MERRITT: Approve.

14 MS. FRANKS: Commissioner Hatches?

15 COMMISSIONER HATCHES: Approve.

16 MS. FRANKS: Commissioner Jones?

17 COMMISSIONER JONES: Approve.

18 MS. FRANKS: Commissioner Bradley?

19 COMMISSIONER BRADLEY: Approve.

20 MS. FRANKS: Chairman Mathewson?

21 CHAIRMAN MATHEWSON: Approve.

22 MS. FRANKS: By your vote, you've adopted  
23 Resolution No. 12-031.

24 CHAIRMAN MATHEWSON: Sergeant.

25 SERGEANT SEATON: Next is Aristocrat

1 Technologies, Incorporated of Las Vegas, Nevada.

2 CHAIRMAN MATHEWSON: Any questions on this  
3 one?

4 (No response.)

5 CHAIRMAN MATHEWSON: Commissioner, would you  
6 like to make a motion, sir?

7 COMMISSIONER JONES: Make a -- I'd like to  
8 make a motion to approve Resolution No. 12-032.

9 CHAIRMAN MATHEWSON: Recognized for lack of a  
10 second.

11 COMMISSIONER JONES: I get a second also,  
12 right?

13 COMMISSIONER MERRITT: I'll second.

14 CHAIRMAN MATHEWSON: Thank you. Call role,  
15 Ang, please.

16 MS. FRANKS: Commissioner Merritt?

17 COMMISSIONER MERRITT: Approve.

18 MS. FRANKS: Commissioner Hatches?

19 COMMISSIONER HATCHES: Approve.

20 MS. FRANKS: Commissioner Jones?

21 COMMISSIONER JONES: Approve.

22 MS. FRANKS: Commissioner Bradley?

23 COMMISSIONER BRADLEY: Approve.

24 MS. FRANKS: Chairman Mathewson?

25 CHAIRMAN MATHEWSON: Approve.

1 MS. FRANKS: By your vote, you've adopted  
2 Resolution No. 12-032.

3 CHAIRMAN MATHEWSON: Thank you. Sergeant.  
4 SERGEANT SEATON: Last is NRT Technology  
5 Corporation, Toronto, Ontario, Canada.

6 CHAIRMAN MATHEWSON: Any questions?  
7 (No response.)

8 CHAIRMAN MATHEWSON: Chair will accept a  
9 motion on 12-033, please.

10 COMMISSIONER HATCHES: Move for acceptance of  
11 Resolution 12-033.

12 COMMISSIONER JONES: Second.

13 CHAIRMAN MATHEWSON: We have a motion and a  
14 second. Any discussion?  
15 (No answer.)

16 CHAIRMAN MATHEWSON: Call role, Angie, please.

17 MS. FRANKS: Commissioner Merritt?  
18 COMMISSIONER MERRITT: Approve.

19 MS. FRANKS: Commissioner Hatches?  
20 COMMISSIONER HATCHES: Approve.

21 MS. FRANKS: Commissioner Jones?  
22 COMMISSIONER JONES: Approve.

23 MS. FRANKS: Commissioner Bradley?  
24 COMMISSIONER BRADLEY: Approve.

25 MS. FRANKS: Chairman Mathewson?

1                   CHAIRMAN MATHEWSON: Approve.

2                   MS. FRANKS: By your vote, you've adopted  
3 Resolution No. 12-033.

4                   CHAIRMAN MATHEWSON: Okay, there, Mr. Roger,  
5 what else do you have?

6                   MR. STOTTLEMYRE: Next item is Consideration  
7 of Licensure of Level I and Key Applicants. Sergeant Sammy  
8 Seaton will present.

9                   CHAIRMAN MATHEWSON: You're just getting a big  
10 plate today.

11                  SERGEANT SEATON: Yes, sir.

12                  Missouri State Highway Patrol investigators  
13 along with Gaming Commission financial investigators  
14 conducted comprehensive background investigations on Multiple  
15 Key and Level I applicants. The investigations included, but  
16 were not limited to, criminal, financial, and general  
17 character inquiries, which were made in the jurisdictions  
18 where the applicants lived, worked, and frequented.

19                  The following individuals are being presented  
20 for your consideration: William A. McKenna, Independent  
21 Director, Bally Technologies, Incorporated; Matthew J.  
22 Anfinson, Vice-President of Finance, Harrah's Maryland  
23 Heights, LLC; Arnold L. Block, Corporate Senior  
24 Vice-President of Operations, Isle of Capri Casinos,  
25 Incorporated.

1           The results of these investigations were  
2 provided to the Gaming Commission staff for their review and  
3 you have all related summary reports before you. Thank you.

4           MR. STOTTLEMYRE: Mr. Chairman, staff  
5 recommends approval of Resolution 12-034.

6           CHAIRMAN MATHEWSON: Thank you. Chair would  
7 accept a motion to adopt Resolution 12-034, please.

8           COMMISSIONER BRADLEY: Motion to approve  
9 Resolution Number 12-034.

10          COMMISSIONER HATCHES: Second.

11          CHAIRMAN MATHEWSON: Thank you.

12          Call role, please.

13          MS. FRANKS: Commissioner Merritt?

14          COMMISSIONER MERRITT: Approve.

15          MS. FRANKS: Commissioner Hatches?

16          COMMISSIONER HATCHES: Approve.

17          MS. FRANKS: Commissioner Jones?

18          COMMISSIONER JONES: Approve.

19          MS. FRANKS: Commissioner Bradley?

20          COMMISSIONER BRADLEY: Approve.

21          MS. FRANKS: Chairman Mathewson?

22          CHAIRMAN MATHEWSON: Approve.

23          MS. FRANKS: By your vote, you've adopted

24 Resolution No. 12-034.

25          CHAIRMAN MATHEWSON: Mr. Roger.

1                   MR. STOTTLEMYRE: Next item is Consideration  
2 of Disciplinary Actions. Mr. Grewach will present.

3                   MR. GREWACH: Under Tab J, we have a  
4 preliminary order of discipline for Ameristar Kansas City.  
5 This involves a repeat audit finding. We have a minimum  
6 internal control standard 803(b), which prohibits any action  
7 access within a five-foot radius to any drop area where a  
8 bill validator or collection cup is being picked up by the  
9 drop team.

10                   The prior audit covered surveillance coverage  
11 in October, 2010, and physical observation in December of  
12 2010, and saw numerous examples of patrons who were within  
13 that five-foot radius of various drop zones. We -- they  
14 followed up on October of 2011 and again saw occasions of  
15 physical observations of patrons within that five-foot area  
16 on four different occasions.

17                   Then on November the 3rd of 2011, we sent a  
18 compliance directive to the general manager indicating this  
19 was a problem that is something he needed to direct his  
20 attention to and resolve. We did a follow-up visit to that  
21 compliance directive on November the 7th, 2011. In the  
22 high-limit area was a cart that was being picked up by the  
23 drop team and the way the cart was positioned, there were  
24 patrons within one or two feet of the opening of the cart  
25 where the funds were.

1           Our agent talked to the security officer who  
2           indicated that he had not received any new information or  
3           directive in response to our compliance directive we'd issued  
4           to the general manager; and therefore, the staff is  
5           recommending a fine of \$10,000.

6                   CHAIRMAN MATHEWSON: Questions of Ed on  
7           12-174?

8                   COMMISSIONER HATCHES: I have a couple  
9           questions.

10                   CHAIRMAN MATHEWSON: Sure.

11                   COMMISSIONER HATCHES: Do we know what has  
12           happened since November, whether or not they've changed?

13                   MR. GREWACH: I'd probably call on Cheryl  
14           Alonzo for that answer.

15                   MS. ALONZO: Cheryl Alonzo, Director of  
16           Compliance Audit. Actually, we just were back at the  
17           property this week and there were still just a few instances  
18           of patrons being in the drop zone. And they had a meeting  
19           yesterday with the property to discuss some challenges that  
20           they're having.

21                           Some of their carts are kind of large and  
22           they're -- they can't really get them into the poker room and  
23           I think the high-limit room, and they're wondering how to --  
24           what they need to do to control and keep the patrons away  
25           from that. So I think we're going to have a follow-up

1 meeting and just iron this out because it just kind of seems  
2 like it's continued, so. But they're very much aware of it  
3 and are in discussions trying to figure out the logistics of  
4 it all because I guess the size of their carts is  
5 problematic.

6 CHAIRMAN MATHEWSON: I -- go ahead.

7 COMMISSIONER JONES: Cheryl, they didn't get  
8 it the first time when you did the audit, that I mean, you  
9 made this observation and a possible recommendation to, hey,  
10 you have patrons that -- you have folks that are violating  
11 this five-foot space? It took them a year to not get it --  
12 or approximately a year and they still haven't gotten it down  
13 or they didn't try to explain -- explain to you within that  
14 year that they have these, I guess, large carts that they're  
15 having problems with?

16 MS. ALONZO: That was actually not -- and I  
17 don't think in the initial finding. I think it was really  
18 just people in the drop zone. This is kind of another issue  
19 that's kind of keeping us from clearing the issue. That was  
20 not cited originally, but they looked at a couple of days and  
21 there was one patron that I think got into a drop zone area  
22 and so that was one time.

23 So it's much better. That's what my team  
24 said. Make sure if they ask, it's vastly improved, but I  
25 think they had just one instance. And then -- but now this

1 issue about the carts and the drop is kind of new. But they  
2 just want to get everything ironed out is my impression so  
3 that they don't have -- but, you know, drop teams, you know,  
4 the audit exit, they -- we discussed it and then they sent a  
5 response and they, you know, do work with that, but every --  
6 you know, they drop at least every other day.

7 I don't know Ameristar's particular schedule,  
8 but it's a lot of drops. And over the course of time -- and  
9 we just come back and look. So maybe they had it tightened  
10 up and maybe when we came back, it got loose again. You know  
11 what I mean? It's just one of those things where we're going  
12 to have to constantly pay attention to it, so.

13 CHAIRMAN MATHEWSON: Cheryl, I have no idea  
14 where that is, since I haven't been allowed on the casino  
15 floor for three years, so -- but how complicated would it be?  
16 I'm missing something, I think, to put a, you know, they have  
17 those little deals, you know, they run, you know, like tape  
18 thing through and attach it to a standard.

19 MS. ALONZO: Stanchion.

20 CHAIRMAN MATHEWSON: How complicated would it  
21 be to put one of those around the drop zone which would  
22 indicate to a patron you're not supposed to go in there?

23 MS. ALONZO: Well, the problem is that it's a  
24 moving target. It's a moving target.

25 CHAIRMAN MATHEWSON: What's a moving target?

1                   MS. ALONZO: The drop zone. So you've got  
2 your crew, you've got your security guards. The ratio has to  
3 be at least one security guard to every three drop team  
4 members, and they're moving through the floor. And they're  
5 blocking off, you know, they may take a row, two rows that  
6 face each other, block that area, drop those machines, move  
7 on to the next row and they're just moving through.

8                   So it's not where, like when we used to be  
9 closed. When we were closed in a certain period of time,  
10 they could always -- then it was easy. You didn't have to  
11 keep people out. You just had to keep employees out. But  
12 now you've got people there all the time and you're just kind  
13 of moving that drop zone through and collecting all the drop  
14 devices.

15                   So I mean, and they're trying to do it. You  
16 know, they're trying to get done, they're trying to move it  
17 on quickly. And so they kind of have to constantly watch to  
18 make sure that the team doesn't get ahead of security and  
19 that security's able to move with them and be clearing those  
20 patrons out of those areas. So I mean, I'm going to say it's  
21 definitely a challenge for them.

22                   COMMISSIONER HATCHES: I have a question.

23                   CHAIRMAN MATHEWSON: Sure.

24                   COMMISSIONER HATCHES: Does this work in other  
25 casinos? Is it a problem at other casinos?

1 MS. ALONZO: We occasionally have findings of  
2 someone being in a drop zone or employees sometimes are more  
3 often the issue. They'll be -- come walk through it or  
4 something mistakenly, but yeah, it happens. This one just  
5 happened, you know, had the repeat and on follow-up, it  
6 didn't -- we kept seeing it on the follow-up, so that's why  
7 it's before you. But it's not an unheard-of finding. You  
8 know, it happens.

9 CHAIRMAN MATHEWSON: So you agree with staff  
10 on the \$10,000 fine?

11 MS. ALONZO: Yeah.

12 CHAIRMAN MATHEWSON: Okay. Well, I kind of  
13 hear you saying that --

14 MS. ALONZO: Well, to me, the fine -- we voted  
15 on this fine without yesterday's follow-up. That's new. You  
16 know, at the time when you've had the audit finding, you've  
17 gone back, you've done the follow-up, you've found it again.  
18 So then we bring it as a fine because it was several -- I  
19 mean, you had the audit finding, then you had the follow-up,  
20 then we did a CD, then we came back again. So that's several  
21 instances, which is why I'm okay with -- or that's why 10,000  
22 seemed appropriate to me.

23 But you know, these new issues, because  
24 they're just trying to get it up, to me, has no effect. I  
25 mean, I'm glad that they are, you know, want to make sure

1       they get it all ironed out, but I guess what I'm saying is I  
2       don't want to say they're not paying attention.  They're  
3       paying attention.

4                   CHAIRMAN MATHEWSON:  Okay.

5                   MS. ALONZO:  Okay.

6                   CHAIRMAN MATHEWSON:  Any questions of Cheryl  
7       on this?

8                   (No response.)

9                   CHAIRMAN MATHEWSON:  Okay.  Thank you.

10                  Okay.  Ed, do you have anything else on J?

11                  MR. GREWACH:  I do not, no.

12                  CHAIRMAN MATHEWSON:  Okay.  Chair would accept  
13       a motion on DG-12-174 [sic], please.  Anyone have a motion?

14                  COMMISSIONER HATCHES:  Move for approval on DG

15       --

16                  CHAIRMAN MATHEWSON:  Now nobody wants to say  
17       anything.

18                  COMMISSIONER HATCHES:  -- 12-174 [sic].

19                  COMMISSIONER MERRITT:  Second.

20                  CHAIRMAN MATHEWSON:  Okay.  Any discussion?

21                  (No response.)

22                  CHAIRMAN MATHEWSON:  Call role, Angie, please.

23                  MS. FRANKS:  Commissioner Merritt?

24                  COMMISSIONER MERRITT:  Approve.

25                  MS. FRANKS:  Commissioner Hatches?

1 COMMISSIONER HATCHES: Approve.

2 MS. FRANKS: Commissioner Jones?

3 COMMISSIONER JONES: Approve.

4 MS. FRANKS: Commissioner Bradley?

5 COMMISSIONER BRADLEY: Approve.

6 MS. FRANKS: Chairman Mathewson.

7 CHAIRMAN MATHEWSON: Approve.

8 MS. FRANKS: By your vote, you've adopted

9 DC-12-174.

10 CHAIRMAN MATHEWSON: Big Ed.

11 MR. GREWACH: Tab K is preliminary order of  
12 discipline against Ameristar Kansas City. There's a movie  
13 theater that's in the complex but obviously off the gaming  
14 floor.

15 This revolves around an incident on  
16 November 17th, 2011, when a 20-year-old, an under-aged  
17 employee of the movie theater who was one of the managers,  
18 had been sent by her supervisor to get change from the main  
19 bank. When she got to the turnstile, they gave her a vendor  
20 badge and she went through to the main bank. They realized  
21 their mistake, and that's how we became aware of this  
22 incident.

23 As we looked into it, we found out that it was  
24 a fairly common practice from talking to the security officer  
25 involved to allow these employees of these movie theater and

1 restaurants and other off-the-floor aspects of that facility  
2 through the casino floor to get change.

3 We looked at surveillance tape over about a  
4 17-day period in November. In reviewing that, we saw six  
5 persons who did the same thing, who walked up to the  
6 turnstile, got a vendor badge, went in to get some change.  
7 Two of those persons were under age. The one movie theater  
8 employee that we had talked to, that was actually her first  
9 time, and another employee from one of the restaurants who is  
10 also under age had done that three times.

11 The proper procedure when that would happen is  
12 to have that person go with a security officer escort to the  
13 cage, make the transaction, be escorted back off the  
14 property. But giving them a vendor badge is -- is a  
15 violation because it permits a minor onto the floor  
16 unsupervised under those circumstances, and the staff's  
17 recommendation is a \$5,000 fine.

18 COMMISSIONER HATCHES: Question.

19 CHAIRMAN MATHEWSON: Yes, sir.

20 COMMISSIONER HATCHES: Ed, do you know if they  
21 have changed their policy?

22 MR. GREWACH: I believe they have, yes.

23 COMMISSIONER MERRITT: Question.

24 CHAIRMAN MATHEWSON: Yes, sir.

25 COMMISSIONER MERRITT: Ed, did they -- in

1 reviewing the tapes, was there instances where they did do it  
2 properly, where they did send a security officer in or was  
3 that not looked for?

4 MR. GREWACH: That -- it wasn't reflected in  
5 the report, so I couldn't answer that one way or the other.  
6 The only thing in the report, the agent indicated was that  
7 those six occasions where one of the outside employees was  
8 given a vendor badge and allowed access.

9 COMMISSIONER MERRITT: So it seemed to be kind  
10 of a consistent policy that they --

11 MR. GREWACH: It was. It seemed like it from  
12 the report as I read it.

13 COMMISSIONER MERRITT: Okay.

14 COMMISSIONER HATCHES: Anyone else on the  
15 staff who would know whether or not policies have changed,  
16 whether or not they're still allowing these transactions to  
17 occur?

18 Don't put your hand down, it's okay.

19 MS. ALLEN: My name is Julie Allen and I'm  
20 with Ameristar Casino, Kansas City. And yes, we have changed  
21 our policies. I believe that we no longer allow them to come  
22 onto the casino floor and get change if they are under the  
23 age of 21.

24 CHAIRMAN MATHEWSON: Where do they go?

25 MS. ALLEN: They have to send somebody who is

1 over 21.

2 CHAIRMAN MATHEWSON: Oh, okay. Okay. Okay.

3 I mean -- I mean, with a cashier's cage on a casino floor  
4 maintaining change, you know, I would think that would be a  
5 logical place for someone to go. That's why I -- but if you  
6 just have changed the policy so it isn't a minor anymore --

7 MS. ALLEN: Right.

8 CHAIRMAN MATHEWSON: -- it's an adult, that  
9 solves the problem, it would appear.

10 MS. ALLEN: Exactly.

11 CHAIRMAN MATHEWSON: Thank you for being here.

12 Thank you for coming.

13 Any other questions?

14 (No response.)

15 CHAIRMAN MATHEWSON: Chair would accept a  
16 motion on DG-12-175 [sic], please.

17 COMMISSIONER MERRITT: I make a motion to  
18 approve DG-12-175 [sic].

19 COMMISSIONER JONES: Second.

20 CHAIRMAN MATHEWSON: Call role, Angie.

21 MS. FRANKS: Commissioner Merritt?

22 COMMISSIONER MERRITT: Approved.

23 MS. FRANKS: Commissioner Hatches?

24 COMMISSIONER HATCHES: Approved.

25 MS. FRANKS: Commissioner Jones?

1 COMMISSIONER JONES: Approved.

2 MS. FRANKS: Commissioner Bradley?

3 COMMISSIONER BRADLEY: Approved.

4 MS. FRANKS: Chairman Mathewson?

5 CHAIRMAN MATHEWSON: Approved.

6 MS. FRANKS: By your vote, you've adopted

7 DC-12-175.

8 CHAIRMAN MATHEWSON: Thank you. Ed.

9 MR. GREWACH: Tab L is a preliminary order of

10 discipline directed to Harrah's North Kansas City. This

11 involves a minor on the floor, had a fake ID, however the

12 fake ID and the -- and the minor were different heights and

13 had different eye color.

14 When he initially came to the turnstile, from

15 reviewing the surveillance, our agent found that the security

16 officer looked at the ID but not at the patron. After

17 entering through the turnstile, he encountered three

18 different card dealers, two who did not check his ID at all.

19 He also encountered a bartender who did not check his ID. He

20 was on the floor a total of two hours and 22 minutes during

21 which time he consumed two alcoholic drinks and played 68

22 hands of blackjack. And the staff is recommending a fine of

23 \$10,000.

24 CHAIRMAN MATHEWSON: Ed, on this one, let's

25 see, I read all of these. I was trying to remember. Is this

1 the one where one of the employees finally did question him?

2 MR. GREWACH: Yes.

3 CHAIRMAN MATHEWSON: Okay. Do we know, and I  
4 don't remember -- I know that all the casinos, I think, have  
5 some type of a program where -- where they -- if someone  
6 catches someone underage, you know, they have a little \$25  
7 bonus or whatever it is, some amount of bonus that they --  
8 that employee is given for doing a good thing on occasion.  
9 Okay?

10 You know, in this -- in this case, it kind of  
11 amazes me, because he was questioned or had the opportunity  
12 to be questioned by several different employees on that  
13 casino floor, and yet finally one employee challenged it.

14 MR. GREWACH: Yes.

15 CHAIRMAN MATHEWSON: So you know, it seemed to  
16 me like that we -- we rush to fine them for allowing someone  
17 on the floor, which I don't have a problem with, they  
18 shouldn't do it. But we don't ever recognize somebody for  
19 doing the right thing.

20 MR. GREWACH: No, we don't, because you know,  
21 our position is that's everyone's obligation. And different  
22 properties may have different guidelines, but the thing that  
23 always troubles us from the DRB standpoint is when you have  
24 someone who looks young and you have, like, these dealers and  
25 bartenders who don't check their ID.

1                   Let's just say internally you have a policy,  
2                   anybody that looks under 30 or looks under 35, we're going to  
3                   check them. Now, understandably from a business standpoint,  
4                   it's a little aggravating for the 21-year-old patron to have  
5                   to show his ID to every dealer and every bartender and  
6                   everybody, but that's just the safeguards that we write in  
7                   and we require. So I guess from our perspective, if somebody  
8                   does do it, they're just doing what we're, you know,  
9                   obligating them to do under the -- under the regulations.

10                   So no, we never have any kind of program like  
11                   that. Quite the opposite. I mean, a lot of our regulations  
12                   require self-reporting. So not only, you know -- so they --  
13                   self-reporting is another good example. They're doing the  
14                   right thing, they're self-reporting, and then we discipline  
15                   them for self -- for what they reported to us. So -- but  
16                   that's, again, just the rules in what we require them --  
17                   require them to do.

18                   CHAIRMAN MATHEWSON: Yeah, okay. I asked a  
19                   reporter one time whose paper tended to criticize everything  
20                   I did as a senator. And I asked a reporter, Have you ever  
21                   seen me do anything right? To which he said, Right doesn't  
22                   sell newspapers. Wrong does. And the other thing is,  
23                   Senator, in all due respect, you know, we don't go around  
24                   trying to find good things to say about you.

25                   I mean, I guess that will probably live with

1 me for the rest of my life that if you want to find something  
2 negative, you can find something negative in about anybody  
3 you come in contact with. If you want to find somebody  
4 positive -- something positive, you can truly find something  
5 positive.

6 I mean, I understand that seven people in that  
7 casino basically violated the law as we have written it, the  
8 rules. And one person said, Oh, gosh, I'm going to do the  
9 right thing. You know, but we never recognize the right  
10 thing because that's what they're supposed to do. You know,  
11 I guess that just bothers me. You know, but what the hell,  
12 I'm coming off here in another month anyway, so it doesn't  
13 matter what I think.

14 COMMISSIONER MERRITT: Well, that story ended  
15 a lot better than I thought. I thought you were going to say  
16 he never did see you do anything good.

17 CHAIRMAN MATHEWSON: No, he did. No,  
18 actually, he did. It was his editor that didn't.

19 COMMISSIONER JONES: You know, I was just  
20 going to concur with that point.

21 CHAIRMAN MATHEWSON: I don't want your --

22 MR. GREWACH: I do want to point out that, I  
23 mean, it does come into play when we issue the individual  
24 disciplines against the Level II licensees. For example, in  
25 this case, all the ones who didn't check got a two-day

1 suspension. The one that checked and didn't compare it to  
2 the person got a one-day, and of course the person that  
3 caught him and reported him got no action. So you know --

4 CHAIRMAN MATHEWSON: You know what, I missed  
5 that in here.

6 MR. GREWACH: No.

7 COMMISSIONER HATCHES: Yeah, I don't think  
8 that was provided.

9 CHAIRMAN MATHEWSON: I don't think it was. If  
10 it was, I missed it.

11 MR. GREWACH: It's not, because that goes a  
12 different route, so the discipline against the Level IIs goes  
13 one direction, and the discipline against the casino itself  
14 -- whenever we look at a case like this where it's a systemic  
15 problem where we have a number of people --

16 CHAIRMAN MATHEWSON: You know what, now see,  
17 that makes sense. That brings it back, you know. And I  
18 didn't remember reading that, but then hell, I'm old and I  
19 sometimes don't see that.

20 MR. GREWACH: No, that was not in the package  
21 you had. That was separate.

22 CHAIRMAN MATHEWSON: Thank you very much.

23 COMMISSIONER BRADLEY: I'd like to know that.  
24 We like that information.

25 CHAIRMAN MATHEWSON: I think that's something

1 that would be good information. I mean, we sit up here and  
2 be the bad guys all the time by doing fines, you know, and  
3 it's kind of good to hear, you know, that somebody got  
4 penalized because they didn't do the right thing, you know.

5 MR. GREWACH: We'll make sure and get that in  
6 the package next time.

7 COMMISSIONER HATCHES: Thank you.

8 CHAIRMAN MATHEWSON: Thank you very much.  
9 Okay. Any other discussion?

10 (No response.)

11 CHAIRMAN MATHEWSON: Chair would accept a  
12 motion on DG-12-176 [sic], please.

13 COMMISSIONER BRADLEY: Motion to approve  
14 DC-12-176.

15 COMMISSIONER JONES: Second.

16 CHAIRMAN MATHEWSON: Any further discussion?

17 (No response.)

18 CHAIRMAN MATHEWSON: Call the role, Angie,  
19 please.

20 MS. FRANKS: Commissioner Merritt?

21 COMMISSIONER MERRITT: Approve.

22 MS. FRANKS: Commissioner Hatches?

23 COMMISSIONER HATCHES: Approve.

24 MS. FRANKS: Commissioner Jones?

25 COMMISSIONER JONES: Approve.

1 MS. FRANKS: Commissioner Bradley?

2 COMMISSIONER BRADLEY: Approve.

3 MS. FRANKS: Chairman Mathewson?

4 CHAIRMAN MATHEWSON: Approve.

5 MS. FRANKS: By your vote, you've adopted  
6 DC-12-176.

7 CHAIRMAN MATHEWSON: Thank you. Ed.

8 MR. GREWACH: Under Tab M, we have a  
9 preliminary order of discipline against IGT for an incident  
10 on November 2nd, 2011.

11 We have a rule that requires that no software  
12 be shipped prior to being approved by MGC, and then IGT did,  
13 in fact, ship some software that had not been approved for  
14 use in Missouri to a Missouri property. And the staff is  
15 recommending a \$5,000 fine.

16 CHAIRMAN MATHEWSON: Any questions of Ed?

17 (No response.)

18 CHAIRMAN MATHEWSON: Seeing none, Chair would  
19 accept a motion DG-12-177 [sic], please.

20 COMMISSIONER JONES: Move for acceptance of  
21 DG-12-177.

22 COMMISSIONER MERRITT: Second.

23 CHAIRMAN MATHEWSON: Call role, please.

24 MS. FRANKS: Commissioner Merritt?

25 COMMISSIONER MERRITT: Approved.

1 MS. FRANKS: Commissioner Hatches?

2 COMMISSIONER HATCHES: Approved.

3 MS. FRANKS: Commissioner Jones?

4 COMMISSIONER JONES: Approved.

5 MS. FRANKS: Commissioner Bradley?

6 COMMISSIONER BRADLEY: Approved.

7 MS. FRANKS: Chairman Mathewson?

8 CHAIRMAN MATHEWSON: Approve.

9 MS. FRANKS: By your vote, you've adopted  
10 DC-12-177.

11 MR. GREWACH: Under Tab N, we have a  
12 preliminary order of discipline against Konami Gaming.

13 Again, this is another case where they shipped  
14 software that had not been approved in Missouri and the staff  
15 is recommending a fine of \$10,000.

16 CHAIRMAN MATHEWSON: Any questions of Ed on  
17 this one?

18 (No response.)

19 CHAIRMAN MATHEWSON: Chair would accept a  
20 motion for DG-12-178 [sic], please.

21 COMMISSIONER HATCHES: Move for adoption of  
22 DC-12-178.

23 COMMISSIONER JONES: Second.

24 CHAIRMAN MATHEWSON: Call role, Angie, please.

25 MS. FRANKS: Commissioner Merritt?

1 COMMISSIONER MERRITT: Approve.

2 MS. FRANKS: Commissioner Hatches?

3 COMMISSIONER HATCHES: Approve.

4 MS. FRANKS: Commissioner Jones?

5 COMMISSIONER JONES: Approve.

6 MS. FRANKS: Commissioner Bradley?

7 COMMISSIONER BRADLEY: Approve.

8 MS. FRANKS: Chairman Mathewson?

9 CHAIRMAN MATHEWSON: Approve.

10 MS. FRANKS: By your vote, you have adopted  
11 DC-12-178.

12 CHAIRMAN MATHEWSON: Ed.

13 MR. GREWACH: Item O is against Argosy  
14 Riverside. This involves two repeat audit findings.

15 On the first one, we have a rule that requires  
16 sensitive keys to be returned within 72 hours of an  
17 employee's termination. That's in Chapter B, 1.05(d). In  
18 '09, there's an instance where an employee was terminated and  
19 the key wasn't -- was terminated in November of '09 and the  
20 key wasn't returned until February of 2010.

21 We went back and looked at it in August of  
22 2011. We generated a system report. In reviewing that  
23 report, we saw that 3 out of 24 employees terminated did not  
24 return their sensitive keys within the 72-hour time period.  
25 The times rated -- range from a low of five days to a high of

1 20 days that the keys were not returned on those three  
2 occasions.

3 The second repeat audit finding involves a  
4 Chapter I of a minimum internal control standards, which  
5 provide that only a supervisory-level or above would have the  
6 ability to void a point redemption. When we looked at that  
7 in the Audit Number 10-18 on March of 2010, there were two  
8 non-supervisory positions that had that ability to void point  
9 redemption. That was a casino host and casino host II.

10 When we did a follow-up and review on August  
11 the 21st and 22nd of 2011, we found again that two  
12 non-supervisory personnel had the authority to void point  
13 redemptions. And in this case, it was a database specialist  
14 and a data base analyst. So the staff is recommending a fine  
15 of \$10,000.

16 CHAIRMAN MATHEWSON: Any questions of Ed?

17 COMMISSIONER HATCHES: Just quick, Ed. Why  
18 are these two violations together like this?

19 MR. GREWACH: Because they came out of the one  
20 audit, I would presume, that they were two repeats and we  
21 combined them for that purpose.

22 CHAIRMAN MATHEWSON: Do you want to further  
23 ask somebody something there, Commissioner?

24 COMMISSIONER HATCHES: No, I'm fine.

25 CHAIRMAN MATHEWSON: Are you okay with that?

1 (No response.)

2 CHAIRMAN MATHEWSON: Okay. Any other  
3 questions?

4 (No response.)

5 CHAIRMAN MATHEWSON: Chair would accept a  
6 motion to adopt DG-12-179 [sic], please.

7 COMMISSIONER BRADLEY: Motion to approve  
8 DC-12-179.

9 COMMISSIONER JONES: Second.

10 CHAIRMAN MATHEWSON: Any discussion?

11 (No response.)

12 CHAIRMAN MATHEWSON: Call role, Angie, please.

13 MS. FRANKS: Commissioner Merritt?

14 COMMISSIONER MERRITT: Approve.

15 MS. FRANKS: Commissioner Hatches?

16 COMMISSIONER HATCHES: Approve.

17 MS. FRANKS: Commissioner Jones?

18 COMMISSIONER JONES: Approve.

19 MS. FRANKS: Commissioner Bradley?

20 COMMISSIONER BRADLEY: Approve.

21 MS. FRANKS: Chairman Mathewson?

22 CHAIRMAN MATHEWSON: Approve.

23 MS. FRANKS: By your vote, you've adopted  
24 DC-12-179.

25 CHAIRMAN MATHEWSON: Thank you. Ed? Roger?

1                   MR. STOTTLEMYRE: Mr. Chairman, the next item  
2 on the agenda is Consideration of Rules and Regulations.  
3 Mr. Ed Grewach will present.

4                   MR. GREWACH: Under Item P, we have a Proposed  
5 Amendment. The purpose of this is to clarify who security  
6 personnel should report to. You'll see the change in  
7 Paragraph 5(b). Approving this today is the first step in  
8 the rulemaking process, then it has to go through the public  
9 hearings, comment periods. And if it goes on schedule, this  
10 rule would be -- become effective on December 30th of this  
11 year. Just to give you a time frame of the process of how  
12 long that would take.

13                   CHAIRMAN MATHEWSON: Any questions of Ed on  
14 the internal control systems audit program?

15                   We probably ought to do that one and then the  
16 next one we can take all four of those in one, can't we,  
17 Roger?

18                   MR. STOTTLEMYRE: Yes, sir.

19                   CHAIRMAN MATHEWSON: Okay. Okay. Chair would  
20 accept a motion on 11 CSR 45-9.020, please.

21                   COMMISSIONER MERRITT: I would move to accept  
22 11 CSR 45-9.020.

23                   COMMISSIONER BRADLEY: Second.

24                   CHAIRMAN MATHEWSON: Any discussion?

25                   (No response.)

1 CHAIRMAN MATHEWSON: Call role, Angie, please.

2 MS. FRANKS: Commissioner Merritt?

3 COMMISSIONER MERRITT: Approve.

4 MS. FRANKS: Commissioner Hatches?

5 COMMISSIONER HATCHES: Approve.

6 MS. FRANKS: Commissioner Jones?

7 COMMISSIONER JONES: Approve.

8 MS. FRANKS: Commissioner Bradley?

9 COMMISSIONER BRADLEY: Approve.

10 MS. FRANKS: Chairman Mathewson?

11 CHAIRMAN MATHEWSON: Approve.

12 MS. FRANKS: By your vote, you've adopted

13 Proposed Amendment 11 CSR 45-9.020.

14 CHAIRMAN MATHEWSON: Big Ed.

15 MR. GREWACH: The final orders of rulemaking

16 that are grouped together there in Q deal with poker cards,

17 tips and gifts, those are the first two, 8 -- 5.185, 8.130.

18 And you'll see there that there weren't any comments, written

19 comments, or comments at the public hearing set forth.

20 When you look at 9.106, we did receive

21 substantial comment from the industry through Mike Winter,

22 the executive director of the Missouri Gaming Association.

23 You'll see item by item the comments that he made and the

24 responses that we made. We did incorporate some of his

25 suggestions, others we did not.

1                   And you'll see the same true on 9.120, and  
2   it's -- instead of going comment by comment through them, I  
3   just thought it would be more expeditious to see if the  
4   Commission had any questions on those. I can tell you I was  
5   involved in this process, but I'd probably call on Les Hahn  
6   if there are any more technical questions about the rules and  
7   the effect of the changes that were made.

8                   CHAIRMAN MATHEWSON: Questions of Ed or Les on  
9   any of these four? Everybody okay --

10                  COMMISSIONER HATCHES: Yes, sir.

11                  CHAIRMAN MATHEWSON: -- at this point? Okay.  
12   Chair would accept a motion, then, to adopt all four of these  
13   in one motion -- 185, 130, 106, and 120 -- if someone would  
14   so desire.

15                  COMMISSIONER HATCHES: I move to adopt 11 CSR  
16   45-5.185, 8.130, 9.106, and 9.120.

17                  CHAIRMAN MATHEWSON: Is there a second?

18                  COMMISSIONER BRADLEY: Second.

19   CHAIRMAN MATHEWSON: Okay. Ed, I have a  
20   motion and a second, but let me ask a question before we vote  
21   on this, please.

22                  You -- you made a point of saying that  
23   Mr. Winter, you know, had an opportunity or did take the  
24   opportunity to make recommendations on all four of these  
25   issues. And some of those you accepted, some you rejected.

1 Do we -- do we -- do we ever have the opportunity to know  
2 what those were?

3 MR. GREWACH: The written comments, yeah, are  
4 set forth in this final order of rulemaking. I can tell you  
5 that we go even further than that. I mean, we just generally  
6 try to make it a practice here if we have a rule, you know,  
7 that affects the industry, that we talk to them or talk to  
8 Mr. Winter, you know, throughout the process, even before we  
9 get to the stage where we're ready to do like you did with  
10 the -- with the change in the security personnel reporting,  
11 you know, where you started.

12 Before we ever get to that initial stage of  
13 the formal rulemaking process, we really try to talk to the  
14 industry and get an idea of their input on it. And then  
15 usually by the time we get to the drafting stage, we know  
16 what their position is.

17 Then in this case, Mr. Winter went ahead and  
18 then put these comments in writing to us at the time of the  
19 public hearing, which then by the statute we're required to  
20 incorporate his comments and our responses into that final  
21 order of rulemaking.

22 CHAIRMAN MATHEWSON: Okay. Okay. So -- so  
23 those would -- I mean, they will be available to us when our  
24 final rulemaking is before us. Meantime, we don't -- I guess  
25 if we ask you to provide that to the commissioner -- to a

1 commissioner, you would do that?

2 MR. GREWACH: Absolutely. For example, I was  
3 a little more intimately involved in the rewriting of the DAP  
4 rules. I've got those in a separate file folder in my  
5 office. Of course they're scanned into our system.  
6 Secretary of State has a record retention policy for all  
7 records such as that. I couldn't off the top of my head tell  
8 you how long it is on that type of document, but we keep them  
9 as long as Secretary of State tells us we have to, and then  
10 -- and then transport them over for storage there when we  
11 exceed that time period.

12 CHAIRMAN MATHEWSON: Okay. Generally, you  
13 think that works out pretty well the way we're doing this? I  
14 guess maybe I'm getting more -- maybe a little more intense  
15 because I'm on my short rows here. I mean, does that work  
16 out?

17 MR. STOTTLEMYRE: I think it's worked out real  
18 well, and I think -- I would even ask Mike if he would want  
19 to speak to that, if he feels like we're listening to the  
20 industry as we do these. You know, we're trying to make sure  
21 we understand what their concerns are before we go forward  
22 with them.

23 CHAIRMAN MATHEWSON: Okay. Is there -- is  
24 there any objection by any member of the Commission if we ask  
25 Mr. Winter to come forward and just speak to that? I mean,

1 that seems like it's kind of important. I mean, you know,  
2 and we probably discussed this sometime over the last three  
3 years that I've been here, but I don't remember that we have.

4 Mike, do you feel comfortable with -- would  
5 you tell that pretty lady right there who you are, even  
6 though, you know, I know you?

7 MR. WINTER: Sure. Mike Winter, I'm the  
8 executive director of the Missouri Gaming Association. I  
9 know since I've been involved, we have had a number of  
10 face-to-face meetings with staff as they kind of work through  
11 the process of developing either rule changes or internal  
12 control changes.

13 We try to bring in our experts to meet with  
14 the staff so they understand issues that we may have with  
15 their original draft or the direction things may be going in.  
16 Obviously there are going to be differences of opinion from  
17 the staff as the regulator and us from the casinos as to how  
18 we think things should be done or shouldn't be done, and we  
19 try to work through that in a good dialogue. Obviously, I  
20 don't know what some of the proposed changes are, and if our  
21 suggestions have been accepted or rejected in a number of the  
22 areas --

23 CHAIRMAN MATHEWSON: Some have, some haven't,  
24 is what Ed said.

25 MR. WINTER: -- until this meeting today. So

1 we submit our comments. If we think additional testimony is  
2 needed at the public hearing, we take that opportunity. But  
3 again, we don't know what the final staff recommendation is  
4 until after the meeting today and we actually see what the  
5 final orders look like.

6 CHAIRMAN MATHEWSON: Sure. Yeah, you have the  
7 opportunity to see these before we ever vote on the final,  
8 but then --

9 MR. WINTER: No, no, I don't ever see the  
10 final orders until after you-all are finished.

11 CHAIRMAN MATHEWSON: Until after we vote.

12 MR. WINTER: Correct. All I know is we  
13 submitted our comments during the --

14 CHAIRMAN MATHEWSON: Well, like the reason --

15 MR. WINTER: -- 30-day comment period and then  
16 we don't know about it until after -- after the meeting  
17 today.

18 CHAIRMAN MATHEWSON: Because, see, under a  
19 rule, you-all aren't supposed to talk to us about -- the  
20 Commission directly about this. I guess you can answer  
21 questions for us, basically, but no --

22 MR. WINTER: Sure, the ex parte rule --

23 CHAIRMAN MATHEWSON: Yeah, that's right.

24 MR. WINTER: -- and direct involvement between  
25 the director and the licensees.

1       CHAIRMAN MATHEWSON:  So you're not supposed to  
2       do that.  Okay.  So that's why I wanted to kind of see where  
3       we are before we ever get to a final act so that at least you  
4       feel like that the industry has an opportunity to be heard  
5       and sometimes you're even listened to.

6                   MR. WINTER:  Well, and I think the staff  
7       obviously listens to our concerns.  But again, I won't know  
8       if -- if there may be significant issues still with the final  
9       orders until after the meeting and we send those final orders  
10      and whatever comments have been incorporated into the new  
11      internal controls or rule changes out to our compliance  
12      people to do another review.

13                   And so, you know, then Mr. Chairman, you know  
14      the process.  You know, the rules sit in JCAR for 30 days.  
15      So if there are issues that are problematic, you have some  
16      ability to take that recourse of what the Joint Committee on  
17      Administrative Rules is limited in some fashion.

18                   CHAIRMAN MATHEWSON:  Limited in some fashion.  
19      It didn't used to be, but it is now.

20                   MR. WINTER:  Correct.

21                   CHAIRMAN MATHEWSON:  Very much so.  Okay.  
22      Commissioners, Do you have any questions of Mr. Winter?

23                   Thank you, Mike.  Thanks for doing that.

24                   Okay.  We have a motion and a second before  
25      us.  Thanks for letting me jump in, guys.

1 Call role, Ang, please.

2 MS. FRANKS: Commissioner Merritt?

3 COMMISSIONER MERRITT: Approve.

4 MS. FRANKS: Commissioner Hatches?

5 COMMISSIONER HATCHES: Approve.

6 MS. FRANKS: Commissioner Jones?

7 COMMISSIONER JONES: Approve.

8 MS. FRANKS: Commissioner Bradley?

9 COMMISSIONER BRADLEY: Approve.

10 MS. FRANKS: Chairman Mathewson?

11 CHAIRMAN MATHEWSON: Approve.

12 MS. FRANKS: By your vote, you've adopted

13 Final Orders of Rulemaking 11 CSR 45-5.185, 8.130, 9.106, and

14 9.120.

15 MR. STOTTLEMYRE: The next item on the agenda

16 is Consideration of Placement on the Exclusion List.

17 Mr. Grewach will present again.

18 MR. GREWACH: The next four items actually --

19 MR. STOTTLEMYRE: Did the Chairman have

20 something?

21 CHAIRMAN MATHEWSON: No, I -- I guess -- I'm

22 sorry, I didn't get that far.

23 (An off-the-record discussion was held.)

24 CHAIRMAN MATHEWSON: Okay. Thank you.

25 MR. GREWACH: Thank you. Wanted to go over a

1 little bit about the exclusion list in general because we  
2 have not put anybody on it since December of 2009, so some of  
3 the commissioners may not have had direct involvement in  
4 this.

5 It's obviously different than the DAP program.  
6 The DAP program's voluntary, you sign yourself up. This  
7 exclusion list is involuntary. There are, really -- one  
8 thing because we hadn't done one in so long, when I got here  
9 initially, they had backed up a little bit.

10 We're reviewing those and the reason there are  
11 four on today's agenda is that's our general plan is to do  
12 four a month so you're not stuck in one meeting where you're  
13 looking at 20 or 25 exclusion cases. We'll do them a few at  
14 a time until we get caught up and that should take care of  
15 us.

16 The -- when you look at our 15.030, it gives a  
17 list of the things that you can do to make yourself a  
18 candidate for the involuntary exclusion list. I break them  
19 down into five. They're in three different paragraphs when  
20 you look at that rule, but really if you're convicted of a  
21 felony, of a crime involving moral turpitude, or if you're  
22 convicted of a crime involving gaming, if you violate any  
23 provision of Chapter 313 of the state statutes or any of our  
24 regulations, if you perform any act that would adversely  
25 affect the public confidence or trust in gaming, or if you

1 have a notorious or unsavory reputation that could adversely  
2 affect the public confidence and trust in gaming.

3 We receive them mainly from the troopers,  
4 although I have gotten one from an attorney. You know, they  
5 can come from different sources. We get them and what we do  
6 is we review them against those five criteria. We go a step  
7 further and we're looking for crimes that have some nexus or  
8 connection with gaming.

9 If you say, well, every person that commits a  
10 felony or a crime involving moral turpitude is eligible for  
11 the list, but if it was something that happened in  
12 Kirksville, Missouri, you know, it doesn't have any relation  
13 to gaming, we're really looking for persons that have done  
14 something related to gaming or -- or stolen money and spent  
15 it at a casino, and so that's what we're looking for, that  
16 nexus or connection as we evaluate those cases.

17 The process once we do is very similar to the  
18 casino disciplines. This resolution here is a lot like the  
19 orders of discipline you just did. This is the first step in  
20 the process. This gets mailed to the excluded person  
21 certified mail. They have 30 days then to request a hearing.

22 If they request a hearing, just as in the  
23 cases that Mr. Stark presented, it would go to Mr. Stark,  
24 hearing as to whether or not we met our burden, whether or  
25 not the person should be excluded, and then -- but if they

1 don't file a request for hearing within 30 days, on the 31st  
2 day, then the exclusion becomes permanent.

3           The one difference between the exclusion list  
4 and the casino disciplines is if you take this step today to  
5 adopt this resolution, let's say the one that's before you,  
6 12-035, that person is excluded from today until a hearing  
7 officer or judge rules otherwise. So if they ask for a  
8 hearing or if they appeal it further, that exclusion stays in  
9 effect until the final action. Whereas on a lot of the  
10 casino disciplines, particularly on the Level II, you know,  
11 employees, we don't enforce the action until the hearing  
12 process has run through its course. But other than that,  
13 this should operate exactly as that casino discipline process  
14 did.

15           Any questions about the process in general?

16           CHAIRMAN MATHEWSON: Ed, you say there's about  
17 -- what did you say, about 20?

18           MR. GREWACH: I'd say we probably have a  
19 backlog of about 20 to 25 cases to look at.

20           CHAIRMAN MATHEWSON: Okay. Was there a system  
21 in which you decided these four were the first ones that we  
22 needed to deal with in the last two or three years?

23           MR. GREWACH: I think they were on the top of  
24 my stack. I'm not sure exactly how they got there because I  
25 don't think they're in chronological order.

1                   CHAIRMAN MATHEWSON: Okay. I wouldn't want to  
2 be on the top of your stack. Okay. Okay. Any -- any  
3 questions of the whole process of the exclusion list?

4                   (No response.)

5                   MR. GREWACH: If not, I'll go ahead and get  
6 into the Item R. This is a gentleman, Ralph Sides, was 67  
7 years old, is -- at the time this took place on May the 28th,  
8 2008. He was at Harrah's Maryland Heights. There was an  
9 older couple sitting next to him, Walter Tisk and his wife,  
10 and actually, Mrs. Tisk was sitting at the chair next to  
11 Mr. Sides.

12                   Mr. Sides felt like that Mrs. Tisk's chair was  
13 too close to his and kept bumping his elbow every time she  
14 would swivel one way or the other and he became upset with  
15 that. He asked Mrs. Tisk to move. She finished playing and  
16 actually got up to move. Mr. Tisk, who was 81 years old at  
17 the time, was sitting two chairs down.

18                   Mr. Tisk came over to ask Mr. Sides what was  
19 wrong and what was going on here because he could see there  
20 was some problem, disagreement between the two of them.  
21 Mr. Sides then punched Mr. Tisk in the face, knocking him  
22 down, and he fell over the top of his wife and they both went  
23 down to the ground. The -- that fall caused Mr. Tisk to  
24 suffer a fractured tibia.

25                   Mr. Sides was charged and found guilty after

1 trial of a felony assault in the second-degree on October the  
2 22nd, 2009. The Court ordered him to -- to do 14 days shock  
3 incarceration in jail, gave him five years probation, ordered  
4 restitution.

5 It's our position that this is an act that  
6 adversely affects the public trust and confidence in gaming,  
7 and we would ask that the resolution be passed adding  
8 Mr. Sides to the exclusion list.

9 CHAIRMAN MATHEWSON: Any questions of Ed on  
10 Resolution 12-035?

11 COMMISSIONER JONES: Mr. Chairman?

12 CHAIRMAN MATHEWSON: Yes.

13 COMMISSIONER JONES: Ed, question. When you  
14 say permanent placement, okay, does that mean permanent  
15 permanent or will they have the opportunity in light of the  
16 new rules we have to come back in five years -- and I guess  
17 it may depend on the infraction of the law, because as I read  
18 through some of these, some of them are really kind of, you  
19 know, crazy.

20 But will he have -- will this person have the  
21 -- the option to come back and ask to be removed from the --  
22 from the DAP?

23 MR. GREWACH: Actually, see, this isn't a DAP.

24 COMMISSIONER JONES: Oh.

25 MR. GREWACH: Because this is the involuntary

1 exclusion list and the DAP is the voluntary exclusion list,  
2 so the DAP rules really wouldn't apply here.

3 COMMISSIONER JONES: Okay. Okay.

4 MR. GREWACH: But to answer your question, the  
5 answer is yes. Because from the beginning, the involuntary  
6 exclusion list has a provision where someone who's on it can  
7 come and petition the Commission to get off. There really,  
8 in the rule, aren't any measures or guidelines or burdens of  
9 proof, so it's basically discretionary with the Commission.

10 Anyone on the list would come in and say, I  
11 think I should get off and they would argue whatever they can  
12 argue. I've gone through anger management or I've -- you  
13 know, whatever they could think to tell you to convince you  
14 that they should no longer be on the list and then it would  
15 be the Commission's discretion to agree to let them off or to  
16 keep them on.

17 But from the beginning, they're on  
18 permanently, probably more accurately say indefinitely,  
19 they're on until they get off, so. But there's no five-year  
20 rule because it's a different program than the DAP.

21 COMMISSIONER JONES: Okay. So they can  
22 petition next year or six months or whatever, and it's up to  
23 the Commission to grant them access?

24 MR. GREWACH: That's correct.

25 COMMISSIONER JONES: Okay.



1 Resolution No. 12-035.

2 MR. GREWACH: Under Item S, is a resolution  
3 involving Gary Kaplan. Mr. Kaplan began his career as a  
4 bookmaker operation in New York City, and in the early '90s,  
5 he then formed an organization called Bet On Sports  
6 Organization. And he began that use of the Internet for his  
7 operation and it expanded in -- worldwide. And as a matter  
8 of fact to the point where it was at one point one of the  
9 largest illegal gambling operations operating.

10 He was charged with and pled guilty in U.S.  
11 District Federal Court here in the Eastern District of a RICO  
12 violation, which is the Racketeer Influenced and Corrupt  
13 Organization, specifically for use of wire communications,  
14 facility to transmit bets, and to violate the Wire Wage Act.  
15 Both are felonies involving moral turpitude and crimes  
16 involving gaming, so they both really fit both of those  
17 criteria for placement.

18 He was sentenced to 51 months in federal  
19 prison. He -- that took place on November 2nd, 2009. He has  
20 been released from federal prison and is out on supervised  
21 release by the federal government, and one of our agents  
22 notified me that he is still a regular customer at one of our  
23 casinos, which caused him to go further up on my stack.

24 So that probably is a good example of a case  
25 where, you know, the staff feels the exclusion is very

1 appropriate in that circumstance.

2 CHAIRMAN MATHEWSON: Any questions of Ed on  
3 12-036?

4 COMMISSIONER JONES: I have one. Ed, I think  
5 I remember something -- reading about something like this in  
6 the papers, St. Louis paper.

7 Now, the federal government, aren't they  
8 leaning towards changing this rule to -- are they trying to  
9 figure out something to do with this online betting? Because  
10 right now as it currently stands, it is illegal. And I think  
11 I -- I may be indirect, but I was reading somewhere where  
12 they're taking this and trying to figure out how they can, I  
13 guess, change the rules and make it a legal-type of  
14 operation.

15 With that, if they change it, Mr. Kaplan can  
16 come back and petition to be removed off of the exclusion  
17 list.

18 MR. GREWACH: Well, he can always petition --

19 CHAIRMAN MATHEWSON: No, he's still a  
20 convicted felon, isn't he? He's still a convicted felon,  
21 isn't he?

22 MR. GREWACH: Yes.

23 CHAIRMAN MATHEWSON: Whether or not we change  
24 the rules or not.

25 MR. GREWACH: Well, I'd agree. But he can

1 always apply whether he's a convicted felon or not. He can  
2 always ask to get off.

3 Now, what happened I think that Commissioner  
4 Jones is talking about is the Department -- the U.S.  
5 Department of Justice looked at these laws and came to the  
6 conclusion that it's the interstate placing of bets that  
7 violates the rules.

8 So if you could have some kind of online  
9 gambling activity in one state, let's use Nevada as an  
10 example, and no one that places a bet is ever outside the  
11 boundaries of the state of Nevada, you know, then that's a  
12 different issue. It's really not a settled area of the law  
13 yet, so -- but that's kind of the direction I think they were  
14 looking at.

15 The sports betting prohibition is, you know,  
16 everywhere and of course the states that were grandfathered  
17 in when that prohibition took place can still have that. But  
18 as far as using Internet resources to -- to place bets, there  
19 is some movement toward allowing -- I always get inter and  
20 intra mixed up, but staying in your own state to have a game.

21 Now, the technology is way beyond me as to how  
22 you prove that, how you can establish that when I received  
23 this bet, you know, it's from somewhere in the state of  
24 Missouri. Or that the person that made that bet's not a  
25 minor. You know, that the person that made that bet's who

1       they say they are.

2                    You know, I -- I just -- it's hard for me to  
3       imagine really legally getting my hands around that, but  
4       that, Commissioner Jones, kind of answers your question.  
5       It's really not settled, but there is some movement in that  
6       -- in that direction.

7                    CHAIRMAN MATHEWSON:  Ed, you know, until we  
8       find -- at least I find it interesting that on one hand you  
9       can't make that bet, as you say, but if you want to buy a  
10      lottery ticket, you can buy it in any state there is.

11                   MR. GREWACH:  Yes.

12                   CHAIRMAN MATHEWSON:  And you don't have to be  
13      a resident in that state.

14                   MR. GREWACH:  Right.

15                   CHAIRMAN MATHEWSON:  But that's not making a  
16      bet.  That's -- that's --

17                   COMMISSIONER MERRITT:  It's a sure loss.

18                   CHAIRMAN MATHEWSON:  I was just being goofy,  
19      but okay.

20                   Any other questions, Ed, on this?

21                   (No response.)

22                   CHAIRMAN MATHEWSON:  Okay.  Any other  
23      discussion?

24                   (No response.)

25                   CHAIRMAN MATHEWSON:  Chair would accept a

1 motion on 12-036, please.

2 COMMISSIONER BRADLEY: Motion to approve  
3 Commission Resolution No. 12-036.

4 COMMISSIONER JONES: Second.

5 CHAIRMAN MATHEWSON: Any discussion?  
6 (No response.)

7 CHAIRMAN MATHEWSON: Call role, please.

8 MS. FRANKS: Commissioner Merritt?

9 COMMISSIONER MERRITT: Approve.

10 MS. FRANKS: Commissioner Hatches?

11 COMMISSIONER HATCHES: Approve.

12 MS. FRANKS: Commissioner Jones?

13 COMMISSIONER JONES: Approve.

14 MS. FRANKS: Commissioner Bradley?

15 COMMISSIONER BRADLEY: Approve.

16 MS. FRANKS: Chairman Mathewson?

17 CHAIRMAN MATHEWSON: Approve.

18 MS. FRANKS: By your vote, you've adopted  
19 Resolution No. 12-036.

20 CHAIRMAN MATHEWSON: Ed.

21 MR. GREWACH: Under Tab T is a resolution to  
22 place Christopher Seemayer on the involuntary exclusion list.

23 Mr. Seemayer was the city administrator of  
24 Brentwood. He took the city's credit card to the Casino  
25 Queen and made cash advances of almost \$30,000. He then was

1 charged with and pled guilty to two felonies in federal court  
2 on January 29th, 2011, and the crimes were for theft from a  
3 local government that receives federal funds.

4 He was sentenced to five years of probation  
5 and to make restitution to the city. Casino Queen granted  
6 this in Illinois, but we also ran his local player records,  
7 player tracking here and found that he had gambled during  
8 this time period at Ameristar St. Charles, Lumiere, River  
9 City, and Harrah's Maryland Heights, which again in our view  
10 and staff's view provides for us that nexus between the crime  
11 and -- and Missouri gaming, so we are asking that  
12 Mr. Seemayer be added to the list.

13 CHAIRMAN MATHEWSON: Questions of Ed? Mr.  
14 Seemayer here?

15 MR. GREWACH: No. And actually, because they  
16 won't get these resolutions until after they're passed, so.

17 CHAIRMAN MATHEWSON: Okay.

18 MR. GREWACH: So the certified mail will go  
19 out after the -- it's, again, just like the charging  
20 document. It's just like the beginning of the process.

21 CHAIRMAN MATHEWSON: Okay, I gotcha.

22 COMMISSIONER HATCHES: But they know it's  
23 being considered, right?

24 MR. GREWACH: I --

25 CHAIRMAN MATHEWSON: I'm sure they do.

1 MR. GREWACH: I couldn't say that, no.

2 COMMISSIONER BRADLEY: You mean they can  
3 appeal this?

4 MR. GREWACH: They have 30 days to request a  
5 hearing after they get their certified mail letter that this  
6 is pending. But it has to start when the rule's written by  
7 the Commission action passing the resolution, then that gets  
8 sent certified mail, then the 30-day appeal period begins.  
9 After that, someone like Mr. Seemayer says, I don't care, I'd  
10 rather be on the list, he does nothing, and then it's final  
11 on the 31st day. If he wants a hearing, then it goes through  
12 Mr. Stark, same process as the casino appeals.

13 COMMISSIONER MERRITT: I think this old boy  
14 would be ashamed to show his face after using the city's  
15 money to do this.

16 CHAIRMAN MATHEWSON: Okay. Okay. Chair would  
17 accept a motion on 12-037.

18 COMMISSIONER MERRITT: I move to accept  
19 Resolution No. 12-037.

20 COMMISSIONER HATCHES: Second.

21 CHAIRMAN MATHEWSON: Call role, Angie, please.

22 MS. FRANKS: Commissioner Merritt?

23 COMMISSIONER MERRITT: Approve.

24 MS. FRANKS: Commissioner Hatches?

25 COMMISSIONER HATCHES: Approve.

1 MS. FRANKS: Commissioner Jones?

2 COMMISSIONER JONES: Approve.

3 MS. FRANKS: Commissioner Bradley?

4 COMMISSIONER BRADLEY: Approve.

5 MS. FRANKS: Chairman Mathewson?

6 CHAIRMAN MATHEWSON: Approve.

7 MS. FRANKS: By your vote, you've adopted

8 Resolution No. 12-037.

9 CHAIRMAN MATHEWSON: Big Ed.

10 MR. GREWACH: Tab U, we have a resolution to

11 place Elizabeth Ann Lovelace on the involuntary exclusion

12 list.

13 IGT maintains a web site for its customers and

14 its regulators with restricted access. There are -- there's

15 proprietary information on that web site, statistical data

16 about their machines, technical information about their

17 machines. And what occurred here is that Ms. Lovelace

18 attempted to access the site by falsely representing that she

19 was an employee of the Missouri Gaming Commission.

20 She got online and entered entries

21 representing herself to be a Clerk I as an employee of the

22 Commission. Of course there's a fairly limited number of

23 people here that have reason to access that, so the person at

24 IGT saw this entry and thought it was a little bit odd --

25 this request and thought it was a little bit odd, and so

1 contacted Todd Nelson to see what he knew about that.

2 Todd spoke with Captain Geiger, who then  
3 talked to the folks at MIAC and started an investigation.  
4 MIAC was able to use her information about her web site from  
5 the request that IGT received to track down her address and  
6 employer and actually went over there to -- to question her.

7 The falsely impersonating a government  
8 official would be a crime under 575.120, paragraph 1, if you  
9 falsely represent yourself to be a public servant for the  
10 purpose of inducing someone to allow you to submit something  
11 and that other person relies on your representation and you  
12 actually perform an act in that purported capacity. So here,  
13 she did.

14 When you look at the web site, you know, she  
15 had to enter her name, she had to enter the box that she was  
16 an MGC employee, she had to enter what her position was.  
17 When we talked to her, she said Clerk I, that sounds like an  
18 entry-level position, so she just picked that. And then, you  
19 know, so she did all those steps.

20 And then at the bottom, just like a lot of web  
21 sites need an electronic signature, there's a box of terms  
22 and conditions, and in the terms and conditions, you say  
23 you're representing that you are an employee of a regulator  
24 or whatever else it says. That's the part that I took a look  
25 at, and she clicked yes to that, too.

1                   So you actually have that affirmative act on  
2 her to attempt to get access to this restricted area of IGT's  
3 web site. We would also classify this as an act that  
4 adversely affects public trust and confidence in gaming. So  
5 we would ask that the resolution be passed adding  
6 Ms. Lovelace to the exclusion list.

7                   CHAIRMAN MATHEWSON: Ed, what was her purpose?

8                   MR. GREWACH: Her stated purpose was that she  
9 -- I guess several of the properties have games you can play  
10 online just for entertainment, just for fun. There's no  
11 gambling involved, but if you want to play, I don't even know  
12 what they are, I've never done it, video poker or slot  
13 machines and just to get the feel of how they play, and she  
14 -- she told us she did that a lot. She liked to do that.

15                   While she was on one of those casino web  
16 sites, she said she then saw a link to IGT. Then when she  
17 got to IGT, she saw a link to this area. And she said that  
18 her thought process was that in this area, there would be  
19 more of these play-for-fun games like the casino hosts do.  
20 But that's what -- you know, that's what she said in response  
21 to our investigation. The prosecutor neglected to -- or  
22 decided not to file charges on the case.

23                   COMMISSIONER BRADLEY: How many times did she  
24 do this?

25                   MR. GREWACH: I believe just once. Just once.

1 MS. CARDENAS: My name is Katherine Cardenas,  
2 C-a-r-d-e-n-a-s, I'm a paralegal with the Missouri Gaming  
3 Commission. She did submit the --

4 COURT REPORTER: Can you come to the  
5 microphone, please, so I can hear you? Thank you.

6 MS. CARDENAS: She did submit the on line  
7 application just once just to play the games, but at that  
8 point, she did submit that she was falsely representing  
9 herself as a Missouri Gaming Commission employee. But I  
10 mean, it was my intention that -- she did play online games  
11 at her house. They did find online -- I think it was sites  
12 that she did have on her desktop.

13 COMMISSIONER BRADLEY: That would -- she  
14 wasn't gambling?

15 MS. CARDENAS: No, she was just playing for, I  
16 guess, just fun. But she did visit some of the gaming sites,  
17 I believe, as well.

18 CHAIRMAN MATHEWSON: So -- so if -- Ed, you  
19 made the comment that the prosecutor decided not to file.

20 MR. GREWACH: That's correct.

21 CHAIRMAN MATHEWSON: Okay. How did it get  
22 there? How did it get before a prosecutor?

23 MR. GREWACH: I believe that was something  
24 that we referred at the conclusion of our investigation. We  
25 sent it to the Cole County Prosecuting Attorney's office,

1 because she lives here in Cole County. So that would have  
2 been the venue.

3 CHAIRMAN MATHEWSON: So when this was brought  
4 to the attention of you or staff, then -- then you did, like,  
5 a preliminary investigation, and I'm trying to walk through  
6 this in my mind. And then you saw that she, in fact, did say  
7 that she was a Missouri Gaming Commission employee, Clerk I,  
8 and that's when she had violated the rules right there -- or  
9 law, actually. So you then sent that over to Cole County  
10 Prosecutor, who probably only gets 5,000 cases a day, and I  
11 mean, everybody files in Cole County. And -- and then they  
12 chose not to file.

13 MR. GREWACH: Correct.

14 CHAIRMAN MATHEWSON: Did they -- did they  
15 correspond with you about that decision or did they just --  
16 just stamp did not file? I mean, what happened?

17 MR. GREWACH: Nothing in writing. I don't  
18 know if Captain Geiger or the -- or Trooper Hanson, who  
19 worked the case, sent anything -- or had any conversations  
20 with Cole County, but as far as my file, there's nothing in  
21 writing from Cole County, other than I've been told by the  
22 Patrol that no charges were filed in this case. And I  
23 double-checked that, obviously, on Case.Net.

24 It's probably a good opportunity for me to  
25 introduce my new paralegal, Kathy Cardenas. And she's the

1 reason we're digging out from this backlog and that's one  
2 thing she's really dove into --

3 CHAIRMAN MATHEWSON: She's been working on it.

4 MR. GREWACH: -- since she's gotten here, so  
5 that's why she had that -- I take the credit for it if it's  
6 good, and you know, so -- but she actually does a lot of the  
7 work, so.

8 CHAIRMAN MATHEWSON: Yeah, that raises a lot  
9 of questions about this one, I think. That's why you passed  
10 it off.

11 You know, I feel kind of empty here. I'm  
12 looking for a reason to want to say put her on that list and  
13 I haven't found one. You know. I mean, if -- yes, she  
14 violated it. If you walked out right now and -- and walked  
15 in downtown Jefferson City or across here at the shopping  
16 center and asked the first 500 people or five or eight, if  
17 you -- do you know that if you were doing that, that that  
18 would be a violation of the law and you could be penalized  
19 severely for that? How many of them do you think would know  
20 that? Zero. And you know that.

21 COMMISSIONER MERRITT: Wouldn't the big  
22 question here be the fact that she represented herself as a  
23 employee with the Missouri Gaming Commission?

24 CHAIRMAN MATHEWSON: Yeah, that's my point  
25 too, Jack.

1                   COMMISSIONER MERRITT: And tried to take  
2 advantage of something that way. That's what I think is  
3 critical.

4                   CHAIRMAN MATHEWSON: But it was the game that  
5 she was playing that was -- there was no advantage to her  
6 from your description for her to win, lose, or toss.

7                   MR. GREWACH: Well, if she had gained access  
8 -- that's what she said she thought she was going was to play  
9 a game, but actually the area she was trying to access had  
10 proprietary information about games, had statistical  
11 information about games, had --

12                   CHAIRMAN MATHEWSON: Okay. So -- I'm sorry.  
13 So if -- if she were a member, a staff member of the Missouri  
14 Gaming Commission, that allowed her further access for  
15 information?

16                   MR. GREWACH: Correct. They have this area  
17 locked down to only regulators --

18                   CHAIRMAN MATHEWSON: Okay. Why didn't you  
19 tell us that in the first place?

20                   COMMISSIONER HATCHES: We knew you'd come back  
21 -- we knew you'd get back.

22                   MR. GREWACH: And Mr. Chairman, that's why she  
23 had to represent herself that way because she couldn't have  
24 got into that area without saying, you know -- and granted it  
25 was dropdown menus. It was, you know, which of the following

1 regulators do you work for and what is your position with  
2 that regulator.

3 But you-- if you said I'm not a regulator, you  
4 would have never got access to that site. That would have  
5 kicked you out right there at that point. So you've got to  
6 say I'm a regulator and this is what my job is, and then you  
7 get access to this proprietary area of IGT's web site.

8 COMMISSIONER MERRITT: Do you find that  
9 sometimes these folks will lie to you?

10 MR. GREWACH: Yeah.

11 COMMISSIONER HATCHES: Especially if they  
12 believe they're in trouble.

13 MR. GREWACH: Sometimes they tend to do that.

14 COMMISSIONER HATCHES: Spoken like a Highway  
15 Patrol trained --

16 COMMISSIONER MERRITT: With that said, I would  
17 make a motion to approve Resolution No.12-038.

18 COMMISSIONER HATCHES: I second.

19 CHAIRMAN MATHEWSON: Well, there we are. Call  
20 role, please.

21 MS. FRANKS: Commissioner Merritt?

22 COMMISSIONER MERRITT: Approve.

23 MS. FRANKS: Commissioner Hatches?

24 COMMISSIONER HATCHES: Approve.

25 MS. FRANKS: Commissioner Jones?

1 COMMISSIONER JONES: Approve.

2 MS. FRANKS: Commissioner Bradley?

3 COMMISSIONER BRADLEY: Approve.

4 MS. FRANKS: Chairman Mathewson?

5 CHAIRMAN MATHEWSON: Approve.

6 MS. FRANKS: By your vote, you've adopted  
7 Resolution No. 12-038.

8 CHAIRMAN MATHEWSON: Roger, my man, what are  
9 we doing here?

10 MR. STOTTLEMYRE: Next item on the agenda is  
11 Consideration of Waiver of Licensure for Institutional  
12 Investors. Ms. Martha LeMond will present.

13 MR. GREWACH: Thank you.

14 CHAIRMAN MATHEWSON: Nice to see you, Ed.

15 MS. LEMOND: Behind Tab V is Resolution No.  
16 12-039 regarding waiver of licensure for Huber Capital  
17 Management, LLC, an institutional investor holding and/or  
18 requesting to hold publicly traded interest of up to 20  
19 percent in gaming license.

20 This investor has submitted a request for  
21 waiver from licensure to hold interest in multiple Missouri  
22 licensees in compliance with 11 CSR 45-020. The submitted  
23 waiver request certifies all holdings are for institutional  
24 investment purposes only, with no intent to be involved in  
25 the management or operation of the licensees.

1                   Because the holdings may exceed the 10 percent  
2                   threshold for which the executive director may grant a  
3                   waiver, this resolution is before the Commission today. I'd  
4                   be happy to answer any questions.

5                   CHAIRMAN MATHEWSON: Martha, what's Huber  
6                   Capital Management do?

7                   MS. LEMOND: They're investment advisory and  
8                   management company. They invest and hold funds for others,  
9                   manage mutual funds.

10                  CHAIRMAN MATHEWSON: Okay. Okay. That would  
11                  make sense, then, that he would want that.

12                  MS. LEMOND: Right, that's why they can assure  
13                  that they don't want to be involved in the management of the  
14                  company. It's for investment purposes.

15                  CHAIRMAN MATHEWSON: Not going that far.

16                  MS. LEMOND: Right.

17                  CHAIRMAN MATHEWSON: Okay. Any other  
18                  questions of Martha.

19                  (No response.)

20                  CHAIRMAN MATHEWSON: Chair would accept a  
21                  motion to adopt Resolution 12-039, please.

22                  COMMISSIONER JONES: Move for the adoption of  
23                  Resolution No. 12-039.

24                  COMMISSIONER BRADLEY: Second.

25                  CHAIRMAN MATHEWSON: I have a motion and a

1 second. Discussion?

2 (No response.)

3 CHAIRMAN MATHEWSON: Call role, please.

4 MS. FRANKS: Commissioner Merritt?

5 COMMISSIONER MERRITT: Approve.

6 MS. FRANKS: Commissioner Hatches?

7 COMMISSIONER HATCHES: Approve.

8 MS. FRANKS: Commissioner Jones?

9 COMMISSIONER JONES: Approve.

10 MS. FRANKS: Commissioner Bradley?

11 COMMISSIONER BRADLEY: Approve.

12 MS. FRANKS: Chairman Mathewson?

13 CHAIRMAN MATHEWSON: Approve.

14 MS. FRANKS: By your vote, you've adopted

15 Resolution No. 12-039.

16 CHAIRMAN MATHEWSON: Before we take a motion

17 to go into closed, Angie has a son that is a golfer. Not

18 only is he a golfer, he is the golfer. He's a freshman and

19 leads the varsity team and they're in a golf match today,

20 pretty important one, right? Isn't it, like, regional?

21 MS. FRANKS: District.

22 CHAIRMAN MATHEWSON: Oh, well, just districts.

23 That's easy for you to say. Pretty big to him, I suspect.

24 Angie's going to be leaving us to go to that match. She's

25 not leaving us, leaving us. She's going to go watch her son

1 play and I can relate because my grandson plays on the Lee's  
2 Summit team and I followed him around the other day. So any  
3 rate, Angie's going to be leaving after we go into the closed  
4 meeting. I just want you-all to know what she's doing.  
5 She's being motherly.

6 And so now with that, unless someone has  
7 questions of Angie that relates to that. He's a fine golfer.

8 Chair would accept a motion to go into closed,  
9 please.

10 COMMISSIONER BARRETT: I have a Motion for  
11 Closed Meeting under Section 313.847, Investigatory,  
12 Proprietary and Application Records, and 610.021(3) Personnel  
13 and (14).

14 CHAIRMAN MATHEWSON: Very good. You read very  
15 well, sir. Okay. We heard a motion.

16 COMMISSIONER BRADLEY: Second.

17 CHAIRMAN MATHEWSON: And we have a second.

18 Call role, Angie, as your last act of this day.

19 MS. FRANKS: Commissioner Merritt?

20 COMMISSIONER MERRITT: Approve.

21 MS. FRANKS: Commissioner Hatches?

22 COMMISSIONER HATCHES: Approve.

23 MS. FRANKS: Commissioner Jones?

24 COMMISSIONER JONES: Approve.

25 MS. FRANKS: Commissioner Bradley?

1                   COMMISSIONER BRADLEY: Approve.

2                   MS. FRANKS: Chairman Mathewson?

3                   CHAIRMAN MATHEWSON: Approve.

4                   Thank you-all very much. We're going to take  
5 a 15-minute break before we go into closed.

6                                   (End of Proceedings.)

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CERTIFICATE OF REPORTER

STATE OF MISSOURI )

) ss:

COUNTY OF GASCONADE )

I, JENNIFER L. LEIBACH, Registered Professional Reporter, Certified Court Reporter, CCR #1108, and Certified Realtime Reporter, the officer before whom the foregoing matter was taken, do hereby certify that the testimony of said witness/es 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 matter 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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Court Reporter

**MISSOURI GAMING COMMISSION**  
**Second Open Session Minutes**  
**April 25, 2012**

The Missouri Gaming Commission (the “Commission”) went into open session at approximately 11:20 a.m. on April 25, 2012, at the Missouri Gaming Commission’s Jefferson City Office, Jefferson City, MO.

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

The open session ended at 12:20 p.m.