

1 BEFORE THE MISSOURI GAMING COMMISSION  
STATE OF MISSOURI

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6 Meeting  
June 19, 2013  
9:00 a.m.  
7 Central Office  
3417 Knipp Drive  
8 Jefferson City, Missouri

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10 (Meeting start time: 9:00 a.m.)

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1 P R O C E E D I N G S

2 CHAIRMAN HATCHES: Good morning.

3 AUDIENCE: Good morning.

4 CHAIRMAN HATCHES: I guess you responded the  
5 way I sounded. So good morning everybody.

6 I was a little confused here with the new  
7 technology.

8 Do we still need to give the warning about  
9 cell phones?

10 MS. MCCARTHY: Well, it would be nice.

11 CHAIRMAN HATCHES: We'd ask you to turn your  
12 cell phones off. We have a very sensitive communication  
13 system, and whether you know it or not, it's so  
14 sensitive that if your cell phones are on, if they ring  
15 during these proceedings, we can pick up that number  
16 that is calling you. So you certainly want to turn them  
17 off.

18 Okay. Good morning. Let's call this meeting  
19 to order.

20 Angie, would you call the roll, please.

21 MS. FRANKS: Commissioner Howard.

22 COMMISSIONER HOWARD: Present.

23 MS. FRANKS: Commissioner Jones.

24 COMMISSIONER JONES: Present.

25 MS. FRANKS: Commissioner Bradley.

1 COMMISSIONER BRADLEY: Present.

2 MS. FRANKS: Chairman Hatches.

3 CHAIRMAN HATCHES: Present.

4 EXECUTIVE DIRECTOR STOTTLEMYRE: The first  
5 item on the agenda is the consideration of the minutes.  
6 That's from May 28th and May 29th of 2013.

7 CHAIRMAN HATCHES: Do we take a vote?

8 Okay. The Chair will entertain a motion.

9 COMMISSIONER HOWARD: I'll move for the  
10 approval of the minutes of the meeting May 28, 2013 and  
11 the meeting May 29, 2013.

12 COMMISSIONER BRADLEY: Second.

13 CHAIRMAN HATCHES: Moved and seconded.

14 Any discussion?

15 Angie, would you call the roll, please.

16 MS. FRANKS: Commissioner Howard.

17 COMMISSIONER HOWARD: Approve.

18 MS. FRANKS: Commissioner Jones.

19 COMMISSIONER JONES: Approve.

20 MS. FRANKS: Commissioner Bradley.

21 COMMISSIONER BRADLEY: Approve.

22 MS. FRANKS: Chairman Hatches.

23 CHAIRMAN HATCHES: Approve.

24 MS. FRANKS: By your vote you've adopted the  
25 minutes of the May 28, 2013 meeting and the May 29, 2013

1 meeting.

2 CHAIRMAN HATCHES: Mr. Stottlemyre.

3 EXECUTIVE DIRECTOR STOTTLEMYRE:

4 Mr. Chairman, the next item on the agenda is  
5 Consideration of Hearing Officer Recommendations, and  
6 Mr. Stephen Stark will present.

7 MR. STARK: Good morning, Commissioners.

8 CHAIRMAN/COMMISSIONERS: Good morning.

9 MR. STARK: The first item on your agenda is  
10 Item C, Gregory Marshall.

11 Mr. Marshall made application for an  
12 occupational license for employment in the gaming  
13 industry. He previously had a license but he allowed it  
14 to expire, necessitating the reapplication process.

15 In response to the application the Commission  
16 conducted its investigation and found several things  
17 missing or not disclosed or misstated on his  
18 application.

19 First the application asked Mr. Marshall if  
20 he used other names, maiden name, previously married  
21 names, aliases. He left that answer blank. The  
22 Commission's investigation found that he used the name  
23 of Mitchell Graham Marshall while serving in the United  
24 States Army.

25 During a subsequent interview Mr. Marshall

1 admitted that he had used his brother's name to gain  
2 reentry into the Army.

3           The second missing item -- or misstated item  
4 was his marital status. He stated on the application  
5 that he was single. The investigation revealed that he  
6 was married.

7           His response to the investigator was that he  
8 had been separated from his wife for about 20 years and  
9 wasn't sure if she filed for divorce or not.

10           But there was a subsequent question about  
11 previous marriages which he left blank as well, so he  
12 missed that answer completely.

13           Another question: Have you ever served in a  
14 military organization for any country? Mr. Marshall  
15 responded no. The investigation revealed that  
16 Mr. Marshall had served in the United States Army on two  
17 different occasions.

18           The question about being arrested, detained,  
19 criminal history, Mr. Marshall did respond that he had  
20 some speeding tickets. The investigation revealed that  
21 he had been convicted for child abandonment and  
22 nonsupport in Georgia in 1990.

23           Another question asked about traffic  
24 violations, including a driving while intoxicated. The  
25 investigation found that he failed to disclose a driving

1 under the influence charge in 1987 in the state of  
2 Georgia.

3 My findings are that indeed Mr. Marshall  
4 failed to properly complete the application with lack of  
5 disclosure and with misinformation. The recommendation  
6 is to follow the Staff's position that the denial of the  
7 license is proper.

8 CHAIRMAN HATCHES: Any questions from the  
9 Commissioners?

10 EXECUTIVE DIRECTOR STOTTLEMYRE:  
11 Mr. Chairman, Staff recommends approval of Resolution  
12 No. 13-055.

13 CHAIRMAN HATCHES: Chair will entertain a  
14 motion.

15 Is Mr. Marshall here?

16 Is Mr. Marshall here?

17 Then the Chair will entertain a motion.

18 COMMISSIONER BRADLEY: Motion to approve  
19 Resolution 12-323 -- no. I'm sorry. Wrong one.  
20 Sorry -- Commission Resolution No. 13-055.

21 COMMISSIONER JONES: Second.

22 CHAIRMAN HATCHES: Moved and seconded.

23 Any further discussion?

24 Angie, would you call the roll, please.

25 MS. FRANKS: Commissioner Howard.

1 COMMISSIONER HOWARD: Approve.

2 MS. FRANKS: Commissioner Jones.

3 COMMISSIONER JONES: Approve.

4 MS. FRANKS: Commissioner Bradley.

5 COMMISSIONER BRADLEY: Approve.

6 MS. FRANKS: Chairman Hatches.

7 CHAIRMAN HATCHES: Approve.

8 MS. FRANKS: By your vote you've adopted  
9 Resolution No. 13-055.

10 MR. STARK: Our next item, Letter D, Ashley  
11 Creager.

12 Ms. Creager holds a license to work in a  
13 casino. She's employed as a dealer in Kansas City.

14 On the date of May 20th, 2012 at 1:41 a.m. a  
15 patron to the casino was denied access to the gaming  
16 floor due to an intoxicated condition. About 20 minutes  
17 later this patron went to another entrance and the  
18 security guard allowed him admission to the gaming  
19 floor.

20 This patron went to the table where  
21 Ms. Creager was dealing cards, sat at the table and  
22 Ms. Creager had three rounds -- or three different hands  
23 of cards in which the patron participated in the gaming  
24 of poker.

25 Other employees had previously encountered

1 this patron and confirmed his intoxicated state and, in  
2 fact, he was called to be escorted off of the gaming  
3 floor.

4 Ms. Creager did not show up for her hearing  
5 that she had requested. We do have a regulation that  
6 basically says if you fail to show to present your own  
7 evidence, all allegations will be deemed admitted.

8 The evidence does show that this patron was  
9 indeed intoxicated and immediate action should have been  
10 taken by Ms. Creager to avoid having an intoxicated  
11 person participate in gaming, and that clearly is the  
12 law, that a licensee should permit no -- should be  
13 prohibited, any visibly intoxicated person, to  
14 participate in any gaming activity.

15 The recommendation is a one-day suspension,  
16 and my recommendation would be to confirm that  
17 suspension.

18 CHAIRMAN HATCHES: Is Ms. Creager here?

19 Any questions from the Commissioners?

20 Mr. Stottlemire.

21 EXECUTIVE DIRECTOR STOTTLEMYRE:

22 Mr. Chairman, Staff recommends approval of Resolution  
23 No. 13-056.

24 CHAIRMAN HATCHES: Chair would entertain a  
25 motion.

1                   COMMISSIONER JONES: Move for the acceptance  
2 of Resolution No. 13-056.

3                   COMMISSIONER BRADLEY: Second.

4                   CHAIRMAN HATCHES: It's been moved and  
5 seconded.

6                   Any further discussion?

7                   Angie, would you call the roll, please.

8                   MS. FRANKS: Commissioner Howard.

9                   COMMISSIONER HOWARD: Approve.

10                  MS. FRANKS: Commissioner Jones.

11                  COMMISSIONER JONES: Approve.

12                  MS. FRANKS: Commissioner Bradley.

13                  COMMISSIONER BRADLEY: Approve.

14                  MS. FRANKS: Chairman Hatches.

15                  CHAIRMAN HATCHES: Approve.

16                  MS. FRANKS: By your vote you've adopted  
17 Resolution No. 13-056.

18                  MR. STARK: Our next item, E, Jon Kanter.

19                  Mr. Kanter holds a license and is employed as  
20 a poker floor supervisor in a casino in Kansas City.

21                  On the date of May 20th, 2012 at 1:41 a.m. a  
22 patron of the casino was denied access. The individuals  
23 at that entrance did indicate that this patron was  
24 indeed intoxicated. That's the reason for denial.

25                  They reported strong odor of intoxicants,

1 slurred speech, loud voice, eyes being bloodshot and  
2 glassy and his statement that he had been drinking all  
3 night since it was his bachelor's party.

4           The patron later, less than 20 minutes later,  
5 was granted access to the gaming floor through a  
6 different entrance through a different security officer.

7           Mr. Kanter was stationed at the poker room  
8 entrance and met with this patron at 2:09 a.m. that  
9 morning, spent about a minute with that gentleman, the  
10 patron, and the patron left for a minute and came back  
11 and asked questions about being able to exchange money  
12 for poker chips.

13           Mr. Kanter told the patron that he would have  
14 to wait because the casino cashier was out of the  
15 particular area, and the patron waited in the vicinity  
16 of Mr. Kanter for about four minutes.

17           The cashier came back and gave the patron  
18 \$100 of poker chips. Upon handing the money to the  
19 patron the cashier informed Mr. Kanter that, quote, this  
20 patron may be tipsy drunk.

21           The patron went to a gaming table and started  
22 playing cards. Mr. Kanter went to the table to observe  
23 the patron and a couple minutes later decided to make a  
24 call to the food and beverage department to come to the  
25 poker room to observe the patron as well.

1           The food and beverage manager arrived with  
2 security and made the determination that this patron  
3 should be indeed removed from the gaming floor.

4           The law is that each licensee is prohibited  
5 from permitting any patron who is visibly intoxicated to  
6 participate in gaming activity.

7           Mr. Kanter indicated that the casino had a  
8 policy that it would be the food and beverage department  
9 that would make the determination as to an intoxicated  
10 patron to be removed, so he was following his casino's  
11 procedure by not initiating the removal action himself  
12 or denying access to the gaming table.

13           However, my findings are that the law  
14 requires each and every individual licensee to follow  
15 this law to prohibit any intoxicated patron from  
16 participating in gaming activity. The law would apply  
17 to Mr. Kanter in spite of his casino's policy.

18           Mr. Kanter did say that this gentleman was  
19 about half Mr. Kanter's age and twice his size.  
20 Apparently the casino's policy is to try to avoid any  
21 aggressive or violent behavior from a drunk or  
22 intoxicated patron.

23           Well, regardless, my finding was that the law  
24 does apply to Mr. Kanter to prohibit gaming by an  
25 intoxicated patron.

1           The recommendation of an imposition of a one-  
2 day suspension is appropriate and supported by the  
3 evidence and that would be my recommendation.

4           CHAIRMAN HATCHES: Thank you.

5           Is Mr. Kanter here?

6           Any questions from the Commissioners?

7           Mr. Stottlemyre.

8           EXECUTIVE DIRECTOR STOTTLEMYRE:

9 Mr. Chairman, Staff recommends approval of Resolution  
10 No. 13-057.

11           CHAIRMAN HATCHES: Chair would entertain a  
12 motion.

13           COMMISSIONER HOWARD: I'll move for approval  
14 of Resolution No. 13-057.

15           COMMISSIONER JONES: Second.

16           CHAIRMAN HATCHES: It's been moved and  
17 seconded.

18           Any further discussion?

19           Angie, call the roll, please.

20           MS. FRANKS: Commissioner Howard.

21           COMMISSIONER HOWARD: Approve.

22           MS. FRANKS: Commissioner Jones.

23           COMMISSIONER JONES: Approve.

24           MS. FRANKS: Commissioner Bradley.

25           COMMISSIONER BRADLEY: Approve.

1 MS. FRANKS: Chairman Hatches.

2 CHAIRMAN HATCHES: Approve.

3 MS. FRANKS: By your vote you've adopted  
4 Resolution No. 13-057.

5 MR. STARK: Our next item, letter F,  
6 Jeanne O'Flynn.

7 Ms. O'Flynn made an application to obtain a  
8 Level II occupational license. As part of the  
9 application process the question is posed about past  
10 criminal history being arrested, charged, convicted.

11 Her answer was no. She said that she had  
12 nothing else to declare and that was her answer, that  
13 there was no past history of criminal history.

14 The Gaming Commission's investigation found  
15 that she had been convicted in November of 1999 for the  
16 felony crime of possession of a controlled substance  
17 while a jail inmate.

18 Ms. O'Flynn did not appear for her hearing.  
19 Thus, the evidence as presented and the allegations that  
20 have been made would be deemed admitted.

21 And my findings are that the Gaming  
22 Commission has discretion with regard to denying an  
23 application for past criminal history, but if it is a  
24 felony, the statute is clear that there is no  
25 discretion, that the Commission shall deny the

1 application for a gaming license.

2 The denial of Ms. O'Flynn's application to  
3 obtain a license is appropriate and that would be my  
4 recommendation that a license be denied.

5 CHAIRMAN HATCHES: Is Ms. O'Flynn here?

6 Any questions from the Commissioners?

7 Mr. Stottlemyre.

8 EXECUTIVE DIRECTOR STOTTLEMYRE:

9 Mr. Chairman, Staff recommends approval of Resolution  
10 No. 13-058.

11 CHAIRMAN HATCHES: Chair will entertain a  
12 motion.

13 COMMISSIONER BRADLEY: Motion to approve  
14 Commission Resolution No. 13-058.

15 COMMISSIONER JONES: Second.

16 CHAIRMAN HATCHES: It's been moved and  
17 seconded.

18 Any further discussion?

19 Angie, would you call the roll, please.

20 MS. FRANKS: Commissioner Howard.

21 COMMISSIONER HOWARD: Approve.

22 MS. FRANKS: Commissioner Jones.

23 COMMISSIONER JONES: Approve.

24 MS. FRANKS: Commissioner Bradley.

25 COMMISSIONER BRADLEY: Approve.

1 MS. FRANKS: Chairman Hatches.

2 CHAIRMAN HATCHES: Approve.

3 MS. FRANKS: By your vote you've adopted  
4 Resolution No. 13-058.

5 MR. STARK: The next item is letter G, George  
6 Juengel.

7 Mr. Juengel made an application for an  
8 occupational license. The question on the application  
9 relative to past criminal history he did respond yes,  
10 disclosing a record of having a driving under the  
11 influence, domestic violence, possession of marijuana.

12 During the Commission's investigation it was  
13 learned that he had been arrested in 1995 in Missouri  
14 for a felony charge of failure to return property valued  
15 over \$150.

16 Mr. Juengel did attend the hearing. He said  
17 he completed the application to the best of his ability  
18 and did not remember the particular arrest and also  
19 stated that the arrest dealt with VHS tapes and it was  
20 over 18 years ago, a simple mistake on his part in not  
21 disclosing.

22 My findings are that the law does give the  
23 Commission complete discretion, complete authority to  
24 deny the application for failure to disclose information  
25 required by the application. A denial is proper and

1 that would be my recommendation.

2 CHAIRMAN HATCHES: Is Mr. Juengel here?

3 Any questions from the Commissioners?

4 Mr. Stottlemyre.

5 EXECUTIVE DIRECTOR STOTTLEMYRE:

6 Mr. Chairman, Staff recommends approval of Resolution

7 No. 13-059.

8 CHAIRMAN HATCHES: Chair will entertain a

9 motion.

10 COMMISSIONER HOWARD: I'll move for approval

11 of Resolution No. 13-059.

12 COMMISSIONER BRADLEY: Second.

13 CHAIRMAN HATCHES: It's moved and seconded.

14 Any further discussion?

15 Angie, would you call the roll, please.

16 MS. FRANKS: Commissioner Howard.

17 COMMISSIONER HOWARD: Approve.

18 MS. FRANKS: Commissioner Jones.

19 COMMISSIONER JONES: Approve.

20 MS. FRANKS: Commissioner Bradley.

21 COMMISSIONER BRADLEY: Approve.

22 MS. FRANKS: Chairman Hatches.

23 CHAIRMAN HATCHES: Approve.

24 MS. FRANKS: By your vote you've adopted

25 Resolution No. 13-059.

1                   MR. STARK: Our next item is letter H,  
2 Valerie Edlemon.

3                   Ms. Edlemon made an application for a  
4 Level II occupational license. The application  
5 questions included a request for her criminal history,  
6 including arrests, convictions, guilty pleas. Her  
7 response to that question was no.

8                   The Commission conducted its investigation  
9 and found that Ms. Edlemon failed to disclose that she  
10 had been arrested on October 8th, 1970 in Illinois for a  
11 charge of damage to property.

12                  Ms. Edlemon did attend the hearing and  
13 credibly testified that she just completely forgot about  
14 that incident. It was when she was 19 years old,  
15 42 years ago, her age being 61 now, and she just plain  
16 forgot was her defense.

17                  The rules allow the Commission to deny an  
18 application for failure to disclose completely all  
19 information requested in the application and regardless  
20 of how long ago the history was, and so my  
21 recommendation is that denial is a proper action in  
22 denying Ms. Edlemon a license.

23                  CHAIRMAN HATCHES: Is Ms. Edlemon here?

24                               Do you wish to speak?

25                  MS. EDLEMON: Well, I'm not good at public

1 speaking.

2 CHAIRMAN HATCHES: That's okay.

3 MS. EDLEMON: I'm very nervous.

4 I guess I can't say any more than what, you  
5 know, he's already said. It is true. I totally forgot  
6 about the incident.

7 And I did get the report from Kane County  
8 that showed that I pled not guilty, because I didn't do  
9 it. Like I said, I was 19 years old, 40 some years ago.  
10 It just completely slipped my mind.

11 And I have a daughter, two nieces and a  
12 sister-in-law that work on the boat, so I knew I was  
13 going to be fingerprinted and it's not something that,  
14 you know, you can hide.

15 If I had remembered, I would definitely have  
16 put it down. Like I said, I'm not stupid. You know, I  
17 knew I was going to be fingerprinted. I totally forgot  
18 about this incident 40 some years ago.

19 So I guess that's my defense. If ignorance  
20 can be a defense, I guess that's it.

21 CHAIRMAN HATCHES: Thank you.

22 Before you leave, Ms. Edlemon, any questions  
23 from the Commissioners?

24 COMMISSIONER JONES: Ms. Edlemon, as I read  
25 through the transcript you took some time out to search

1 to try to find these records --

2 MS. EDLEMON: Yes.

3 COMMISSIONER JONES: -- and for a while no  
4 one in the town even knew about it or anything?

5 MS. EDLEMON: Correct.

6 COMMISSIONER JONES: So I was just surprised  
7 that you obtained something, because when I read through  
8 all of the transcripts and stuff, it just -- you had  
9 searched and tried to find out what it was and  
10 everything else. I know 42 years ago is a long time  
11 ago.

12 MS. EDLEMON: Yes.

13 Actually I have a niece that lives in Aurora,  
14 and I had from here tried to call and get ahold, you  
15 know, tried to find out something. I couldn't from  
16 here, but my niece lives in Aurora and she did go down  
17 to the -- to the Kane County Circuit Clerk's Office.

18 And she had to go to the library, and they  
19 had -- at first they couldn't find nothing either and  
20 then they punched it up on the computer some way,  
21 somebody up higher, and they found the microchip, I  
22 guess, back, and they had to go get it and put it on the  
23 computer and then it did come up.

24 But it took her a long time. She was  
25 probably in there about two hours with them trying to

1 find this.

2 COMMISSIONER JONES: Thank you.

3 CHAIRMAN HATCHES: Anything further?

4 COMMISSIONER BRADLEY: Yes. May I ask?

5 You said that when you did finally find that,  
6 you pled not guilty. Then what happened to that? Did  
7 you serve --

8 MS. EDLEMON: My lawyer -- it was thrown --  
9 it was thrown out of the case.

10 COMMISSIONER BRADLEY: It was dismissed by  
11 the prosecutor?

12 MS. EDLEMON: Yes.

13 COMMISSIONER BRADLEY: So you never served  
14 any time?

15 MS. EDLEMON: Oh, no, no. It was a  
16 misdemeanor. Oh, no. It was a \$25 bond. I paid the  
17 bond and got an attorney and it was just throwed out.

18 COMMISSIONER BRADLEY: Thank you.

19 CHAIRMAN HATCHES: Ms. Edlemon, I just want  
20 to say thank you.

21 MS. EDLEMON: Oh, okay. Are we done now?

22 CHAIRMAN HATCHES: Hold on just a second.

23 Any other questions?

24 Mr. Stottlemyre.

25 EXECUTIVE DIRECTOR STOTTLEMYRE: Yes, sir.

1                   CHAIRMAN HATCHES: Is this where we ask for  
2 your recommendation?

3                   EXECUTIVE DIRECTOR STOTTLEMYRE: Yes, sir.  
4 And Staff would make the recommendation that we approve  
5 Resolution No. 13-060, but once again, that is your  
6 decision to make.

7                   CHAIRMAN HATCHES: Thank you, sir.

8                   Chair would entertain a motion.

9                   There is no motion. What does that mean?

10                  MR. GREWACH: Well, at some point I think the  
11 Commission does have to rule on this because this is the  
12 applicant's appeal of the denial, so actually taking no  
13 action would leave her denied.

14                  COMMISSIONER HOWARD: I'll make a motion in  
15 order to place it on the table and, yes, I'm going to  
16 make a motion for the denial of Resolution No. 13-060.

17                  COMMISSIONER BRADLEY: Second.

18                  CHAIRMAN HATCHES: Moved and seconded.

19                  Any further discussion?

20                  MR. GREWACH: Just for my clarification you  
21 mean to override the denial of the license?

22                  COMMISSIONER HOWARD: That's right, to  
23 override the denial of the license.

24                  MR. GREWACH: And to grant the license?

25                  COMMISSIONER HOWARD: To disapprove -- I'll

1 make a motion to disapprove the motion that's been -- to  
2 disapprove the motion that's been permitted -- provided  
3 to us.

4 CHAIRMAN HATCHES: Do we have to do something  
5 first with the motion that is on the floor?

6 COMMISSIONER JONES: There was no motion on  
7 the floor. It was a recommendation.

8 COMMISSIONER HOWARD: What's before us is the  
9 motion -- the recommendation. I make a motion to  
10 disapprove the recommendation that's before us.

11 MS. FRANKS: And in doing so you would grant  
12 her the license?

13 COMMISSIONER HOWARD: Yes, which would grant  
14 her the license.

15 MS. FRANKS: And you've seconded that.

16 COMMISSIONER BRADLEY: I'll second that.

17 So to make it clear how we vote is to approve  
18 to disapprove. Correct?

19 COMMISSIONER JONES: Yes.

20 COMMISSIONER HOWARD: Because what's in front  
21 of us -- what's in front of us is for --

22 MR. GREWACH: And if I could, because the  
23 rule says that the Commission can accept, reject or  
24 modify the hearing officer's recommendation.

25 So in effect by Commissioner Howard's motion

1 you're rejecting the hearing officer's recommendation.

2 COMMISSIONER HOWARD: Thank you, Ed. That  
3 would be better stated.

4 I'll make a motion for the rejection of the  
5 hearing officer's recommendation.

6 CHAIRMAN HATCHES: Does that then assume that  
7 the license is granted?

8 MR. GREWACH: Correct.

9 CHAIRMAN HATCHES: Okay.

10 So we now have a proper motion and a second?

11 MS. FRANKS: Correct.

12 CHAIRMAN HATCHES: Any further discussion?

13 Angie, would you call the roll, please.

14 MS. FRANKS: Commissioner Howard.

15 COMMISSIONER HOWARD: To approve my motion  
16 for rejection.

17 MS. FRANKS: Commissioner Jones.

18 COMMISSIONER JONES: Approve.

19 MS. FRANKS: Commissioner Bradley.

20 COMMISSIONER BRADLEY: I approve to reject.

21 MS. FRANKS: Chairman Hatches.

22 CHAIRMAN HATCHES: The same thing they said.

23 MS. FRANKS: Okay. By your vote you have  
24 rejected the hearing officer's recommendation, thereby  
25 granting the license for Valerie Edlemon.

1                   CHAIRMAN HATCHES: Ms. Edlemon, would you  
2 come back to the microphone.

3                   Congratulations.

4                   MS. EDLEMON: Thank you. Thank you very  
5 much.

6                   CHAIRMAN HATCHES: Thank you.

7                   MR. STARK: Our next item is letter J (sic),  
8 Stacey Lewis.

9                   Ms. Lewis made an application for a gaming  
10 license. The application requires an answer to the  
11 question about past criminal history.

12                   Ms. Lewis indicated an answer of yes and  
13 disclosed that there was a pending charge of obstruction  
14 of justice in Quincy, Illinois.

15                   The Commission conducted its investigation  
16 and found that Ms. Lewis failed to disclose an arrest  
17 record of a grand larceny in 1987 in Oklahoma, as well  
18 as a petite larceny in 1987 in Oklahoma.

19                   Those two nondisclosures would enable the  
20 Commission to deny the license. Ms. Lewis failed to  
21 appear for her own hearing that she requested. The  
22 allegations would then be considered admitted, and my  
23 recommendation is that a denial of a license would be  
24 appropriate and that's my recommendation.

25                   CHAIRMAN HATCHES: Is Ms. Lewis here?

1 Any questions from the Commissioners?

2 COMMISSIONER JONES: Mr. Chairman, for the  
3 record, this is Item I, not J.

4 MR. STARK: Oh, okay. Yeah, my glasses  
5 didn't see it. Yes, right.

6 EXECUTIVE DIRECTOR STOTTLEMYRE:  
7 Mr. Chairman, Staff recommends approval of Resolution  
8 No. 13-061.

9 CHAIRMAN HATCHES: Chair would entertain a  
10 motion.

11 COMMISSIONER BRADLEY: Motion to approve  
12 Commission Resolution No. 13-061.

13 COMMISSIONER JONES: Second.

14 CHAIRMAN HATCHES: Moved and seconded.

15 Any further discussion?

16 Angie, would you call the roll, please.

17 MS. FRANKS: Commissioner Howard.

18 COMMISSIONER HOWARD: Approve.

19 MS. FRANKS: Commissioner Jones.

20 COMMISSIONER JONES: Approve.

21 MS. FRANKS: Commissioner Bradley.

22 COMMISSIONER BRADLEY: Approve.

23 MS. FRANKS: Chairman Hatches.

24 CHAIRMAN HATCHES: Approve.

25 MS. FRANKS: By your vote you've adopted

1 Resolution No. 13-061.

2 MR. STARK: That concludes my presentation.

3 Thank you.

4 CHAIRMAN HATCHES: Thank you, Mr. Stark.

5 EXECUTIVE DIRECTOR STOTTLEMYRE:

6 Mr. Chairman, the next item on the agenda is

7 Consideration of Relicensure of Class A and B Licensees,

8 and we have Isle of Capri Casinos represented here.

9 I'll let you-all introduce yourselves, if you  
10 would.

11 MS. TRANCHINA: Good morning, Chairman  
12 Hatches, Commissioners, Mr. Stottlemyre and Commission  
13 Staff.

14 CHAIRMAN/COMMISSIONERS: Good morning.

15 MS. TRANCHINA: I am Elizabeth Beth  
16 Tranchina, Vice-President of Legal Affairs for Isle of  
17 Capri Casinos corporate headquarters located here in  
18 Missouri.

19 On behalf of the parent company I would like  
20 to thank you for the opportunity to present today.

21 As you know, the company has maintained its  
22 national headquarters in Creve Coeur, Missouri for  
23 nearly seven years now. We have approximately  
24 130 employees located in that office.

25 We currently operate 15 gaming and

1 entertainment facilities in Louisiana, Mississippi,  
2 Missouri, Iowa, Colorado and Florida and soon to be  
3 Pennsylvania.

4 Collectively these properties feature  
5 approximately 13,400 slots, over 300 table games and  
6 over 2,300 hotel rooms and more than 45 restaurants.

7 We also operate a harness racing track in  
8 Pompano Beach, Florida and next month we plan to open  
9 our newest facility at the world-class Nemaquin  
10 Woodlands Resort located outside of Pittsburg.

11 Accompanying me today are quite a few folks  
12 connected with our operations, but I'd like to take the  
13 time to introduce our general managers for the Class B  
14 licensees here in Missouri.

15 I have Todd Connelly --

16 MR. CONNELLY: Good morning.

17 MS. TRANCHINA: -- general manager for Isle  
18 of Capri-Boonville.

19 Todd Steffen --

20 MR. STEFFEN: Good morning.

21 MS. TRANCHINA: -- general manager for our  
22 Isle in Kansas City, and Lyle Randolph, who is the  
23 general manager for our Lady Luck branded property in  
24 Caruthersville.

25 We're here today to request the renewal of

1 the Class B licensees under which these properties  
2 operate, as well as the Class A license which is issued  
3 to our parent company, Isle of Capri Casinos.

4 We're proud to be headquartered here in the  
5 Midwest where we have our roots, and we're committed to  
6 giving back to the communities in which we operate,  
7 which I hope you'll see in the presentations from the  
8 Class B licensees.

9 I'm available to answer any questions that  
10 you may have, and I'm going to respectfully request the  
11 renewal of our Class A license and turn it over to the  
12 properties to present their presentations for the  
13 Class B licensees.

14 And we'll start with, I believe, Todd Steffen  
15 for Kansas City.

16 Thank you.

17 CHAIRMAN HATCHES: Thank you.

18 MR. STEFFEN: Good morning. For the record,  
19 Todd Steffen, Vice-President and General Manager for  
20 Isle of Capri-Kansas City.

21 Mr. Chairman, Commissioners and staff, I  
22 appreciate the opportunity to present Isle of Capri-  
23 Kansas City and its gaming facility renewal for its  
24 Class B license.

25 As you can see, we have many members of our

1 Kansas City team that have joined me today, including,  
2 if you can stand, Debra Jenkins, our Senior Director of  
3 Marketing and also day one team member at the  
4 Kansas City property.

5 CHAIRMAN HATCHES: I'm sorry. Day one?

6 MR. STEFFEN: She started with the casino  
7 when it first opened in --

8 CHAIRMAN HATCHES: Oh. I thought you meant  
9 today was her first day.

10 MR. STEFFEN: She would appreciate that  
11 comment.

12 Chris Stevenson, our Director of Operations;  
13 Jim Langin, Director of Hospitality and Security; Liz  
14 Janney, our Director of Human Resources; Cheyann  
15 Whitaker, Compliance Officer; and Lisa Atkins, our  
16 Director -- sorry. I just promoted you -- Business  
17 Development and Manager of Compliance.

18 Isle of Capri-Kansas City has complied with  
19 the terms of its agreement with the Port Authority.

20 The adjusted gross revenue, or AGR, for the  
21 fiscal year ending April of 2012 was 87.2 million as  
22 compared to projections of 86.1 million.

23 Fiscal year 2013 AGR fell to 79.7 million.  
24 For the fiscal 2014 we're projecting AGR to be about  
25 80.9 million.

1                   Admissions for the fiscal year ending April  
2                   2012 was just shy of 3.18 million, as compared to a  
3                   projection of almost 3.27 million.

4                   Fiscal year 2013 admissions were  
5                   2.86 million. Fiscal year 2014 admissions are projected  
6                   to be close to 3 million.

7                   CHAIRMAN HATCHES: Remind me again. Your  
8                   fiscal year is what?

9                   MR. STEFFEN: Approximately May 1st through  
10                  the end of April.

11                  CHAIRMAN HATCHES: Okay. Thank you.

12                  MR. STEFFEN: Since inception the total  
13                  capital investment in the property is equal to almost  
14                  \$93 million.

15                  Isle of Capri-Kansas City has instituted a  
16                  policy entitled Workforce Diversity. The Isle is an  
17                  equal employment opportunity employer, committed to the  
18                  belief that diversity in its workforce is essential to  
19                  its current and future success.

20                  In Kansas City we are fortunate to do  
21                  business in a very diverse community which provides us a  
22                  wide variety of applicants for all open positions. We  
23                  always seek opportunities for the best and most  
24                  qualified individuals, including women and minorities,  
25                  to fill all positions, especially leadership roles and

1 grow other careers at Isle of Capri.

2 We believe our demographic statistics, which  
3 is in a couple slides, demonstrate our commitment to  
4 hiring and developing the best people that we can.

5 Here is some of our recruitment efforts to  
6 highlight a few: Missouri Career Center, Hispanic  
7 Chamber of Commerce, Metropolitan Community College and  
8 College Fair, U.S. Veterans Career Fair and Heritage  
9 College of Kansas City.

10 These numbers as of April 30th, 48.4 percent  
11 of Isle of Capri-Kansas City employees are minorities  
12 and 51.1 are female, which exceed the City of  
13 Kansas City. In addition, almost 90 percent of our  
14 employees reside in Missouri.

15 Payroll is down year over year. Taxes and  
16 benefits are also down, primarily due to more health  
17 costs and catastrophic in 2002 for the taxes and benefit  
18 side.

19 Isle of Capri-Kansas City is very proud of  
20 its numbers on this slide. We have developed an  
21 aggressive action plan to support diversity and equal  
22 opportunity in the hiring of contractors.

23 We work with MGC on the introduction of new  
24 vendors through Cheryl Bonner and the Missouri listing  
25 for MBE and WBE to find new suppliers. We network with

1 other Missouri casinos. We attend Casino Marketplace,  
2 Minority Enterprise Development Week, Minority Business  
3 Forum, MidAmerica Minority Supplier Development Council,  
4 and the past year we attended the WBE and MBE conference  
5 hosted by Lumiere Casino in St. Louis.

6 We are an active member of the Missouri  
7 Alliance to Curb Problem Gambling through the Missouri  
8 Gaming Association. We conduct compulsive gambling  
9 training annually for all employees. We participate in  
10 the annual Responsible Gaming Week in August.

11 We include the 1-888-BETS-OFF number in all  
12 of our advertisements, promote the State DAP program  
13 and self-barmment program, both of which will include  
14 patrons -- which will exclude all patrons from the Isle  
15 of Capri properties.

16 And we implement a Bounty Hunter program  
17 which rewards our employees with a \$100 bounty for any  
18 DAP they catch on the casino floor.

19 With the Disassociated Persons Program we  
20 have a strict identification policy. We list the DAPs  
21 in our player tracking system. We ID and cross-  
22 reference when a guest attempts to join the players  
23 club, attempts to cash a check or receives a  
24 credit/debit advance at the casino cage or wins a  
25 taxable jackpot.

1                   We check the DAP list for check cashing, and  
2 we have a system that we use to cross-reference the  
3 database.

4                   For underage gaming the Isle of Capri-  
5 Kansas City practices a strict identification policy and  
6 provides training to its employees at orientation to  
7 assist in the detection of underage gamblers.

8                   Driver's license readers are used at the  
9 gaming floor entrance of the system flagging underage  
10 patrons and invalid IDs.

11                   In addition we use -- we have implemented the  
12 Bounty Hunter program that provides -- the fraudulent ID  
13 detection training to our security officers every -- and  
14 we -- I'm sorry. And we provide fraudulent ID training  
15 to our security officers every four months.

16                   In the Bounty Hunter program for the fiscal  
17 year 2012 we paid out almost \$30,000 for bounties for  
18 fraudulent IDs and for the DAP program to our team  
19 members at the casino.

20                   Isle of Capri-Kansas City, charitable  
21 contributions is very important. I think our  
22 Kansas City executive team leads by example with  
23 volunteering and charitable contributions.

24                   In addition we send out memos and fliers  
25 containing event information, including the date, time

1 and location of each event to team members via e-mail,  
2 and we also post information on the Isle Help bulletin  
3 board.

4 We encourage participation of various events  
5 related to the system-wide Community Aces program which  
6 is coordinated by our parent company.

7 For instance, we recently had 30 team members  
8 participate in the AIDS Walk and help fundraise over  
9 \$1,400 for that organization.

10 Here's the list of some of the volunteering that  
11 we do: Adopt a Highway Cleanup, Habitat for Humanity,  
12 Ronald McDonald House, Harvesters Food Pantry, AIDS  
13 Walk, Susan G. Komen, Friends of the River, JAZZOO,  
14 Hope House, United Way and Show Me Pride.

15 Those are just some of the things that we've  
16 been doing in Kansas City with our employees.

17 This is a picture of some of our folks at the  
18 Ronald McDonald House. On a monthly basis we go over  
19 and provide food to the families at the Ronald McDonald  
20 House.

21 This is our jeans week. About once a quarter  
22 we -- we sponsor a jeans week, where employees can buy  
23 in, and all of the donations go to an organization that  
24 we select.

25 This is one of my favorite charities. It

1 gives me a chance to get a little dirty and work with  
2 the families, but Habitat for Humanity.

3 This is our count room manager with his  
4 daughter. Not only do our employees volunteer at some  
5 of these organizations but they also bring family  
6 members to help support the organizations.

7 Another Habitat for Humanity.

8 At this time I'd be happy to answer any  
9 questions.

10 CHAIRMAN HATCHES: Any questions from the  
11 Commissioners?

12 COMMISSIONER JONES: Yes.

13 Yes, sir.

14 Your professional services for MBE/WBE.

15 MR. STEFFEN: Yes, sir.

16 COMMISSIONER JONES: Just an idea of what do  
17 you mean by professional services?

18 I know what I would consider professional  
19 services, so I just want to make sure.

20 MR. STEFFEN: I would have to look at that  
21 information. The same definition but I don't want to  
22 tell you the wrong thing. It would be accounting and  
23 things -- consultants and things like that, but I'd have  
24 to look into that answer for you.

25 COMMISSIONER JONES: All right. I don't

1 necessarily need to know the names of the vendors, but I  
2 just want to make sure that we're on the same.

3 So you are using professional services for  
4 MBE/WBE --

5 MR. STEFFEN: Yes.

6 COMMISSIONER JONES: -- participation?

7 Thank you.

8 CHAIRMAN HATCHES: Any other questions from  
9 the Commissioners?

10 Cheryl, you've going to be giving us more  
11 information on this?

12 MS. BONNER: (Nods head.)

13 CHAIRMAN HATCHES: Thank you.

14 Any other questions from the Commissioners  
15 first?

16 Okay. Thank you.

17 MR. STEFFEN: Thank you, Commissioners.

18 If there are no other questions, I'd like to  
19 introduce Michael Collins, the President of the Port  
20 Authority for Kansas City, Missouri.

21 MR. COLLINS: Michael Collins, President and  
22 CEO of the Port Authority of Kansas City.

23 Thank you for having me this morning. I  
24 appreciate the opportunity to talk about our support  
25 from the Port Authority of Kansas City for the

1 licensure -- relicensing of Isle of Capri in  
2 Kansas City.

3           They've been a very good partner to us. They  
4 support the efforts on the river, on the riverfront. We  
5 don't see them just as our efforts at the Port  
6 Authority. It's also redevelopment of the whole  
7 corridor. They play a significant role in that  
8 component.

9           And we also see them as an anchor for the  
10 other development on the other side, where Berkley Park  
11 is, where they have also supported with River Fest,  
12 which is our annual July 4th celebration.

13           Mr. Todd Steffen has been a very great person  
14 to work with, I think his last year and a half that he's  
15 been here.

16           And we've always asked questions about  
17 understanding the terms of the lease, and they've been  
18 always able to connect with, so we do support that.

19           I'll be more than happy to answer any  
20 questions. I do believe that there may be one question  
21 but I'll --

22           CHAIRMAN HATCHES: Do you want to go ahead  
23 and answer it?

24           MR. COLLINS: I don't answer questions that  
25 aren't given to me.

1                   CHAIRMAN HATCHES: I don't have questions. I  
2 thought, are you aware of something we need to know?

3                   MR. COLLINS: No. No.

4                   CHAIRMAN HATCHES: You got me interested now.

5                   MR. COLLINS: I just always assume.

6                   CHAIRMAN HATCHES: Oh, okay.

7                   Any questions from the Commissioners?

8                   MR. COLLINS: All right. Thank you.

9                   CHAIRMAN HATCHES: Thank you, sir.

10                  MR. STEFFEN: Thank you, Michael.

11                  If there are no further questions, I'd  
12 respectfully request renewal of the Isle of Capri-  
13 Kansas City's Class B license.

14                  CHAIRMAN HATCHES: Thank you. Okay.

15                  That doesn't mean you have it. I just said  
16 okay.

17                  MR. STEFFEN: At this time I'd like to  
18 introduce Todd Connelly, Vice-President and General  
19 Manager for the Boonville property in Missouri.

20                  MR. CONNELLY: Good morning, Mr. Chairman --

21                  CHAIRMAN HATCHES: Good morning.

22                  MR. CONNELLY: -- Commissioners and staff.

23                  My name is Todd Connelly. I'm the General  
24 Manager at the Isle of Capri in Boonville, and I'm  
25 excited to be here today to present Isle of Capri-

1 Boonville's renewal of its Class B license.

2           Before I get started we have also brought a  
3 few people with us, and I'd like to introduce them.

4           This is Ken Ostempowski. He's our Senior  
5 Director of Finance. He's been on the property over six  
6 and a half years and with the Isle of Capri ten to  
7 twelve years I believe.

8           Heather Rapp. She is our Senior Director of  
9 Marketing. She's been at the property over ten years  
10 and I believe sixteen years with the Isle of Capri.

11           Laura Pfeiffer, she's our Director of Human  
12 Resources. She's been at the property for approximately  
13 six and a half years also. And Jamie Doss. She is our  
14 Risk and Compliance Manager. She's been at the property  
15 for nearly two years now.

16           I'll go ahead and get started here.

17           The Boonville property has complied with the  
18 terms of our Development Agreement. Most of the  
19 requirements were pre-opening, including landscaping,  
20 parking, ingress and egress and the physical attributes  
21 of the property, and we have met all of those  
22 requirements. The second part was the funding of a  
23 post-opening construction escrow account and that has  
24 been fulfilled also.

25           I added a picture of Boonville's new fire

1 station that opened in October of 2011. It's 8,400  
2 square feet. It's a huge source of community pride, and  
3 two of the three roads into Boonville meet at the bottom  
4 of this next to the fire station, so it let's everybody  
5 know that our community is on the move partly because of  
6 the funds received from the casino.

7 Our AGR, as you can see, we project AGR at  
8 approximately 83 million a year. Our actual results  
9 come in a little higher, a little bit lower, depending  
10 on, quite honestly, winter weather in Missouri.

11 The same with our admissions. We project  
12 around 2 million every year. Our actual results look  
13 like 2.2 to 2.1, again, based on winter weather in  
14 Missouri.

15 Capital investment. We have spent over  
16 \$117 million on our facility. And you can see -- the  
17 next slide, you can see where some of that recent cash  
18 infusions have gone.

19 On the left -- you can't see it really  
20 here -- is kind of an old, tired casino, eleven years  
21 old, original carpet, a lot of the original decor. It's  
22 now gone.

23 We've been under renovation since early  
24 April, and if all goes well, we'll be done in the next  
25 two weeks.

1                   On the right is the rendition of what it was  
2 supposed to look like, and it's very close to that, with  
3 the exception of our new chairs aren't in yet. So we're  
4 on pace there. That's a \$2 million remodel.

5                   In 2012, on the left, that was our old sort  
6 of a cafeteria-style buffet with purple tile. We opened  
7 our new -- the company's first Farmers Picked Buffet,  
8 specializing in farm-to-table foods grown in Mid  
9 Missouri.

10                   So a lot -- we showcase a lot of the foods  
11 grown right there. We'll partner with the Amish to  
12 bring food into us that we can present back out to our  
13 patrons.

14                   So some of the capital ideas and allocations  
15 we're looking at for the upcoming year is possibly  
16 upgrading our slot information system, surveillance  
17 equipment and possibly remodeling our entryway and the  
18 other two food outlets.

19                   Hiring practices. Isle of Capri-Boonville is  
20 committed to the belief that diversity in its workforce  
21 is essential to its current and future success.

22                   We're looking to recruit individuals with  
23 different backgrounds, experiences and skill sets. In  
24 order to do that, we look wherever we can. We look at  
25 all of the local communities, the colleges,

1 universities, attend all of those job fairs.

2           We also -- two new ones in the last year were  
3 the U.S. Military Career Fair and the U.S. Veterans  
4 Career Fair. So we're looking everywhere we can to find  
5 people that have different skill sets and a different  
6 way of looking at problems and how to solve those  
7 problems.

8           Employment demographics. In Cooper County  
9 minorities are 11 percent of the population, and Howard  
10 County, which is just across the river, is 9.5 percent.  
11 Isle of Capri-Boonville, we run at 7.5 percent.

12           Females are 47.3 percent of Cooper County  
13 demographics and 50.4 percent in Howard County, and Isle  
14 of Capri runs 54.2 percent.

15           Payroll and benefits. Our wages were a  
16 little down from 2012 to 2013 but our taxes and benefits  
17 were up over a million dollars, and that's based on  
18 483 team members.

19           Vendor diversity. Our Minority Business  
20 Enterprise percentage of purchase or spend was  
21 2.49 percent in 2011, 2.17 percent in 2012, and in the  
22 first quarter, which is unaudited, we're back up to  
23 2.66 percent.

24           Our Women-Owned Business Enterprise  
25 percentage in 2011 was 14, 2012 ran over 16, and

1 currently this year we're running at 17.86 percent. So  
2 we're seeing some movement early this year.

3 Vendor diversity. Boonville has undertaken  
4 the following efforts to achieve greater vendor  
5 adversity. We worked with the MGC on the introduction  
6 of new vendors through Cheryl Bonner and the website to  
7 find new suppliers.

8 We have also added nine new vendors since  
9 2011. A lot of those came through our new buffet,  
10 finding people that were in that business. We had --  
11 the Berry Nutty Farm makes jams and jellies out of  
12 Blue Springs and we have that. We also have that in our  
13 gift shop.

14 Also we attended -- next one.

15 We attended twelve minority and/or  
16 women-focused vendors fairs in '11 and '12 in an effort  
17 to find vendors available, and we also have attended two  
18 such events so far in 2013.

19 Problem gaming. We're active members of the  
20 Missouri Alliance to Curb Problem Gambling through the  
21 Missouri Gaming Association. We also conduct compulsive  
22 gaming training annually for all employees and at  
23 orientation.

24 Participation in the annual Responsible  
25 Gaming Week, which I believe is in August every year.

1 And we also include the 1-888-BETS-OFF number in all  
2 advertising pieces.

3 We also promote the State DAP program, which  
4 will exclude patrons from all Isle of Capri properties  
5 in every one of our jurisdictions.

6 And we've also had a Bounty Hunter for the  
7 last several years, the program which rewards employees  
8 for identifying a DAP patron to us so we can remove them  
9 from the floor.

10 Underage gaming. We're just as strict with  
11 this. We have an identification policy that we will  
12 card anyone under 35 to get on the floor gaming. We  
13 also use the electronic identification checkers used to  
14 verify -- to prove it's not a fake ID.

15 We have underage gaming training for all  
16 employees at new hire orientation and annually  
17 thereafter. We use -- one of our local MGC agents puts  
18 on a local fraudulent ID training package for us.

19 We have a Bounty Hunter that also rewards  
20 them for finding underage people on the floor, and  
21 quarterly we have our own alcohol and fake ID training  
22 through our security staff.

23 Here is just a picture of our podium. On  
24 slow times, maybe 8:00 in the morning, you have one  
25 person at the podium, but as soon as it starts to get

1 busy we go to two to make sure that no one can slip by.

2           Community Aces. Community Aces is a  
3 charitable giving and volunteer program of Isle of Capri  
4 Casinos, Incorporated founded to honor the legacy of  
5 company founder Bernie Goldstein and administered by the  
6 Greater St. Louis Community Foundation.

7           In 2011 through 2013 the Isle of Capri-  
8 Boonville donated over \$150,000 to various community  
9 organizations.

10           The other thing we want to put out or mention  
11 is that it's just not just giving money. Giving money  
12 is a nice thing but we also like to give time. Some of  
13 the -- some of the places we spent time and money were  
14 sponsoring the Show-Me State Games.

15           The United Way, our property alone, just the  
16 team members -- last year we raised \$45,000 to the  
17 United Way just from our Staff. And we do that through  
18 allowing jeans days. They have to pay \$5 to wear jeans  
19 on a Friday. All that money keeps going up. And then  
20 we also have them pledge so much per -- come out of  
21 every paycheck to go to that cause.

22           We work with the local food bank, the Second  
23 Chance Animal Shelter and a couple of the other  
24 organizations down there.

25           There is the donations I was talking of. And

1 it's not just Missouri but it's -- I'm sorry. It's not  
2 just Boonville. It's Boonville and the outlying areas.

3 Charitable contributions. We've also given  
4 to the Marshall-Saline Branch of the NAACP, Neighbors  
5 Helping Neighbors food bank, Job Point, Show-Me State  
6 Games, Special Olympics, Friends of Historic Boonville,  
7 the MU Tiger Scholarship Fund, Big Brothers/Big Sisters,  
8 the Boonville Chamber of Commerce and the food bank for  
9 Central and Northeast Missouri.

10 Volunteering. As I spoke earlier, it's very  
11 important to us. In 2012 we gave 1,680 hours of  
12 employees' time on their own. Our marketing department  
13 will try to organize events. We have sign-up sheets,  
14 and we get as many people involved to go -- you know, to  
15 go to a good cause and put some time in. So we're very  
16 proud of the dedication our property has put in.

17 We've also had -- another instance where  
18 we're giving time is the United Way Community Impact  
19 Day. We had 18 volunteers. We went to the Boonslick  
20 Heartland YMCA. We installed exercise equipment for  
21 them. We helped patched holes and made it a better  
22 place for the people to go.

23 We also went to the Harvest House and we  
24 repaired some decking, stained the decking for them and  
25 made them have a nice facility for their needs.

1                   New this year we organized a barbecue  
2 fundraiser for Unlimited Opportunitites, which is a  
3 Boonville-based organization for mentally and physically  
4 challenged individuals.

5                   We went over to their facility and we put on  
6 a barbecue for them, and all of the money we raised,  
7 they were able to use that for themselves, to spend how  
8 they needed.

9                   And then again I mentioned the 45,000 in  
10 United Way.

11                   Here is some of the photos, the Batman and  
12 Spiderman. We're at the United Way barbecue. Some of  
13 the staff down below before we went to the Day of  
14 Caring.

15                   The Harvest House is on the bottom left and  
16 then the face painting was for the kids also at the Day  
17 of Caring, or at the barbecue.

18                   Also our team members organized their own  
19 Relay for Life which participates annually in the Cooper  
20 County Relay for Life, raising money for cancer  
21 research. We have -- usually every year we have a  
22 different volunteer who chairs to raise the money for  
23 the property, and we've donated \$8,100 in the last three  
24 years for that cause.

25                   Again, we raise money through bake sales,

1 food sale and jeans day at work.

2 Here is a photo of the Relay for Life team,  
3 and then here is some of the other Relay for Life -- I'm  
4 sorry -- some other areas that we volunteer, Job Point,  
5 Neighbors Helping Neighbors, Boonville Heritage Days,  
6 Columbia Second Chance, the Boonville Christmas parade,  
7 the food bank, American Red Cross, Special Olympics, the  
8 Phillipino American Cultural Society of Mid Missouri and  
9 various churches and schools in the local area.

10 At this time if there is any questions I'll  
11 be happy to answer those.

12 CHAIRMAN HATCHES: Any questions from the  
13 Commissioners?

14 MR. CONNELLY: At this time then I would like  
15 to introduce Julie Thacher, the Mayor of Boonville.

16 MAYOR THACHER: Good morning, Mr. Chairman.

17 CHAIRMAN HATCHES: Good morning.

18 MAYOR THACHER: Good morning, Commissioners  
19 and staff members.

20 I'm a little short, so I have to do a little  
21 adjusting here.

22 It's my pleasure to represent the City of  
23 Boonville this morning and provide answers to you on the  
24 items which were listed in the memorandum.

25 First of all I'd like to speak to the

1 licensee's compliance with their Developmental Lease  
2 Agreement. They are in full compliance with the  
3 existing agreement. They're sensitive to their  
4 responsibilities and they do maintain communication on  
5 any items subject to interpretation.

6           As far as a corporate citizen, I think you  
7 can see they conduct themselves quite well in the  
8 community and they live up to the expectation one might  
9 have of a corporate citizen in its status in a size of  
10 our community.

11           They contribute to many worthwhile charitable  
12 causes in the community, as well as providing support  
13 for various community projects. They also are routinely  
14 a player and facilitate community improvement projects.

15           In addition their employees, including  
16 several management and staff, serve on various community  
17 boards and committees in an unpaid fashion.

18           It should be noted that the level of this  
19 investment has appeared to increase over the past two  
20 years from further staff continuity.

21           And I would like to add on this one that is  
22 not listed and it's one of my favorite stories.

23           I'm a member of the Emmanuel Lutheran Church,  
24 and the executive chef at the Isle of Capri is a member  
25 at our church. And after he got settled in, he

1 volunteered to be the chairman of our fall picnic.

2 Well, it used to be hotdogs and that sort of  
3 thing, and after he became the chairman we had, like,  
4 rosemary-infused pork loin, and we had people coming out  
5 of the walls to attend the church picnic.

6 So there is all sorts of different things  
7 that you don't even see up on that. So that's kind of a  
8 fun thing. There is all kinds of things going on.

9 Economic impact. This impact would include  
10 both the direct taxes received by the City, as well as  
11 private sector jobs and purchasing which benefit the  
12 community and the economy.

13 The impact of the tax revenue received by the  
14 City cannot be overstated. The City's primary focus for  
15 these funds has been on infrastructure renewal,  
16 including a new police station relocated from the  
17 basement of City Hall, major improvements to the City's  
18 water plant, significant expenditures on the City's  
19 wastewater system, improvement to the local community  
20 center YMCA and significant street projects. We didn't  
21 even mention the fire station that Todd had on his slide  
22 presentation.

23 Recently the City has completed a new  
24 swimming facility, replacing a small facility that was  
25 over 40 years old, as well as remodeling our City Hall.

1                   The private sector benefits speak for  
2 themselves, especially during the current economic  
3 climate.

4                   Stable jobs with benefits are very important  
5 in rural communities. We have heard several anecdotal  
6 comments regarding the importance of the benefit  
7 packages offered by the Isle from local service  
8 providers.

9                   The gaming industry seems to be at least  
10 somewhat resilient to economic ups and downs, which is a  
11 major importance to most families.

12                   The City is attempting to expand the local  
13 tourism market. Obviously the Isle is our major  
14 attraction, but they have been actively participating  
15 and aiding in the planning of new incentives.

16                   As far as law enforcement, Chief Bob Welliver  
17 is here with us today, and I believe he has submitted a  
18 separate submittal.

19                   Use of funds. I believe we have also  
20 submitted separately a submittal, including our actual  
21 expenditures for the last fiscal year.

22                   Economic development plan. As previously  
23 noted, the City is actively attempting to expand the  
24 local tourism industry.

25                   The focus of this effort is primarily on the

1 waterfront area near the Isle's facility. The Katy  
2 railroad bridge conversion is planned as the centerpiece  
3 of this undertaking. Phase I, of which is funded and  
4 designed, work is underway.

5           The City has also expanded its partnership  
6 with the Missouri -- or the Parks Division of the  
7 Missouri Department of Natural Resources for the Katy  
8 Depo facility and associated grounds, which will be an  
9 integral part of this plan.

10           The City is excited about the prospects of  
11 these ideas, and these properties are all generally  
12 contiguous to the Isle facility.

13           And I would like to personally invite all of  
14 you to come to Boonville and see this. I would love to  
15 give you all a tour of this, all these plans that we  
16 have.

17           Affirmative action. Since there has been no  
18 significant private sector development activity today,  
19 there have not been any opportunities in this context.

20           The City, of course, has a standard  
21 affirmative action plan in place within its personnel  
22 regulations, as well as in contracting. The last  
23 management hire was a woman.

24           Revenue sharing. The City of Boonville has  
25 funded numerous local subdivisions and agencies since

1 its first presence in the gaming facility. I think we  
2 were kind of a ground breaker on that.

3 The focus has been for law enforcement  
4 agencies and associated judicial components. The City  
5 has also instituted contributions to several surrounding  
6 small towns and villages. These communities are quite  
7 small, probably about 300 people, and provide limited  
8 services such that this contribution does make a  
9 difference.

10 A detail listing of these contributions is  
11 shown in the aforementioned financial information  
12 provided to you. These allocations are determined  
13 annually by the City Council as part of the annual  
14 budget preparation.

15 Pursuant to a public announcement  
16 applications are received in December of each year from  
17 anyone, and past recipients are required to submit a  
18 brief report outlining the use of prior year's funding.

19 That concludes my presentation. If you have  
20 any questions, I would be glad to answer them.

21 CHAIRMAN HATCHES: Thank you.

22 Any questions from the Commissioners?

23 MAYOR THACHER: Does anyone want to know when  
24 our church picnic is?

25 Okay. Thank you very much.

1                   CHAIRMAN HATCHES: No. When is it?

2                   MAYOR THACHER: The third weekend in  
3                   September.

4                   CHAIRMAN HATCHES: Good. Thank you.

5                   MR. CONNELLY: Mr. Chairman and  
6                   Commissioners, if there are no further questions, I  
7                   respectfully request the renewal of our Isle of Capri-  
8                   Boonville's Class B license.

9                   And knowing that you're not going to give it  
10                  to me yet, I'm going to introduce Lyle Randolph. He is  
11                  our Vice-President and General Manager of the Lady Luck  
12                  in Caruthersville, Missouri.

13                  CHAIRMAN HATCHES: Thank you.

14                  MR. RANDOLPH: Good morning, Chairman  
15                  Hatches --

16                  CHAIRMAN HATCHES: Good morning.

17                  MR. RANDOLPH: -- Commissioners and staff.

18                  Thank you for the opportunity to come up to  
19                  Jefferson City to speak to you about our wonderful  
20                  casino down in Caruthersville.

21                  While we may be one of the smallest  
22                  properties in the state, we're very proud of our  
23                  property. It's a great place to work, and we always  
24                  strive to make it fun and exciting for our customers.

25                  I began my employment at the casino when it

1 first opened in 1995 working in the surveillance  
2 department working on the grave shift, and the casino  
3 has provided me with a wonderful opportunity to remain  
4 in the area where I grew up and raised my family.

5           The story is very similar with the members of  
6 the management team that I brought today, all of whom  
7 share strong ties to the area.

8           First I'll begin with Wayne Smith. He's our  
9 Casino Manager. Wayne is a lifelong resident of  
10 Caruthersville. He owned his own business in town  
11 before coming to the casino to work full time back in  
12 2005.

13           Ronda Gooch is our Human Resource Manager.  
14 She's from Portageville just up the road. She was in  
15 the Marine Corps before joining the casino's security  
16 department back in 1996.

17           Since coming to work for us Ronda has  
18 completed her bachelor's degree and gotten her  
19 certification in -- human resource certification. And  
20 so we're proud of success stories like hers, someone who  
21 has come in and promoted their way up through the  
22 supervisory management ranks and been able to gain more  
23 experience through her education and experience at the  
24 casino.

25           Next we have David Lynn, who is our Director

1 of Finance. He's a native of Kennett, Missouri. He  
2 joined the casino in 2008 and was promoted to his  
3 current role in 2011. His real claim to fame is he's a  
4 classmate of Sheryl Crow's.

5 CHAIRMAN HATCHES: Who is that?

6 MR. RANDOLPH: Next is Denny Callen. He's  
7 our Director of Operations. He's a veteran of the U.S.  
8 Air Force and has been at the property for 15 years. He  
9 started in the security department as well.

10 Lady Luck participated in a Home-Dock City  
11 Agreement with the City of Caruthersville through 2010,  
12 and we fulfilled all of the requirements of that  
13 agreement.

14 The property continues to remain committed to  
15 the City through the support of various projects in the  
16 community.

17 For the current licensure period Lady Luck  
18 has committed to several projects including, as you can  
19 see, the renovation of the Exchange Building. That's  
20 right on the main corner in town, and it's kind of  
21 the -- it's the cornerstone for the redevelopment of the  
22 downtown area.

23 The funds that we contribute also will be  
24 used for the planning and redevelopment of the  
25 riverfront.

1                   Some of the things that we've done in the  
2 past licensure period, we donated \$52,000 for a new  
3 skate park and over \$25,000 for the City and the schools  
4 for use for recreation fields and facilities.

5                   Lady Luck also donated \$100,000 for a tennis  
6 court complex for use by the City and the School  
7 District. Prior to that the City's tennis team didn't  
8 have a home court to play on. The courts had been  
9 destroyed in the tornado of 2006. So we partnered with  
10 the City, the School District and ourselves to get those  
11 rebuilt.

12                   Adjusted gross revenue for the two-year  
13 licensure period was \$67.7 million. This represents a  
14 1.6 increase over the prior licensure period. The  
15 projected revenues for FY14 are nearly \$30.8 million.

16                   Admissions during the licensure period were  
17 nearly \$1.8 million -- or excuse me -- \$1.8 million.

18                   As \$1 of the \$2 admission tax goes to the  
19 home-dock community, the casino admission tax generated  
20 \$1.8 million for the City of Caruthersville. Since the  
21 casino opened, the total casino admissions and revenue  
22 tax to the City has been over \$24 million.

23                   Isle of Capri purchased the casino in  
24 Caruthersville in June of 2007 with an acquisition price  
25 of approximately \$40.5 million. In June of 2008 the

1 property was officially rebranded as Lady Luck Casino.

2 Overall Isle of Capri has committed an  
3 additional \$15.5 million since the acquisition, for a  
4 total of \$56 million in the Caruthersville property.

5 Lady Luck is committed to the belief that  
6 diversity in the workforce is essential to its current  
7 and future successes.

8 A copy of our Equal Opportunity Action Plan  
9 is included in the handout that was provided.

10 One of the things that I also would like to  
11 note, Lady Luck supports Governor Nixon's Show-Me Heroes  
12 Program, which recognizes the value of veterans in our  
13 workforce.

14 Lady Luck has participated in job fairs and  
15 various local colleges and also works with the local  
16 Missouri Career Center to effectively match qualified  
17 applicants to acceptable job opportunities.

18 This slide is a little difficult to read, but  
19 it's our employee demographics.

20 The large majority of employees are Missouri  
21 residents. Currently we have 85 percent that are from  
22 Missouri. 8 percent cross the bridge there at  
23 Caruthersville from Tennessee and three drive up -- it's  
24 about 25 miles to the Arkansas line and 3 percent of our  
25 employees come from Arkansas.

1                   This photograph was taken at an event to  
2                   celebrate our property's award for the highest  
3                   See.Say.Smile scores, a company-wide courtesy program.

4                   Lady Luck is committed to the belief that a  
5                   diverse workforce is essential to our success.

6                   57.8 percent of our employees are female and  
7                   31.6 percent of our employee are minorities. Both of  
8                   these exceed the comparative percentages in our county.

9                   I feel it should be noted that the  
10                  unemployment rate in Pemiscot County in the months prior  
11                  to the casino opening back in 1995 was over 17 percent.  
12                  The Brown Shoe factory had just closed down and  
13                  eliminated over 300 jobs. In April of this year the  
14                  unemployment rate in the county was 8 percent.

15                  Lady Luck Casino paid wages of over  
16                  \$12.2 million during the last licensure period. In  
17                  addition to those wages, Lady Luck provided additional  
18                  benefits of over \$6 million.

19                  Lady Luck offers competitive wages for our  
20                  area, and we're proud of our retention of long-term  
21                  employees. Of our 302 employees, 123 have been with us  
22                  for over five years and 86, or about 30 percent, have  
23                  been with us ten years or more.

24                  This photograph -- the previous photograph  
25                  showed our Leadership Development Team. Those team

1 members serve as managers on duty and are cross-trained  
2 in various aspects of the operation. So those are the  
3 folks that we are looking to get into future management  
4 roles.

5 Lady Luck of Caruthersville makes local and  
6 diverse vendor selection a priority. We continue to  
7 strive to improve our Minority and Women Business  
8 Enterprise spend.

9 In the licensure period we joined the  
10 St. Louis Minority Business Council.

11 The photograph here is a vendor fair that we  
12 actually held at Caruthersville. Edmund Brown, who is  
13 with ELB Enterprises, and he's on the Board of the  
14 Minority Business Council, came down and spoke to our  
15 vendors.

16 One of the things that we've seen is that the  
17 opportunity to really impact spend is with some of those  
18 corporate contracts that we have. We have contracts  
19 with Ecolab and Georgia-Pacific, things of that nature.  
20 and Edmund Brown, ELB, he has become a distributor of  
21 those products.

22 So we already have the contract pricing for  
23 those. Now we just have to look for a way of  
24 distribution into Southeast Missouri, and that's kind of  
25 the challenge that we're working for now.

1                   I see a real opportunity if we could find  
2                   distribution channels, particularly maybe with a local  
3                   business that could partner with some of those folks out  
4                   of St. Louis to really impact those numbers positively.

5                   So those are some of things that we're  
6                   working on.

7                   During the 2011 relicensing presentation, I  
8                   introduced everyone to Mr. Jimmy Jackson. He had  
9                   started a company, Jackson Pressure Washing. He was a  
10                  graduate of Caruthersville High School and come to  
11                  Mizzou to play football and after graduating returned  
12                  home and began this company.

13                  He came to us and talked to us about what  
14                  business opportunities we might have and how we could  
15                  work together. He was not certified. We worked with  
16                  him to get certified and we assisted him through that  
17                  process.

18                  I just want to come back and report that two  
19                  years later his business is thriving and has been  
20                  successful, and the casino over the last two years has  
21                  done \$24,000 worth -- in business with Mr. Jackson's  
22                  enterprise.

23                  In addition to that we work with the local  
24                  businesses to help them promote themselves out in the  
25                  community. Here the mayor of Caruthersville is

1 presenting an award for -- for Mr. Jackson's business, a  
2 recognition award, and we were able to get that  
3 recognition in the paper and help promote those  
4 communities -- or those vendors in the community.

5           One of the other focuses that we have is  
6 really our local vendors. To us it's more than just the  
7 numbers on the page. We feel our efforts can really  
8 impact the success of local businesses.

9           If we spend a few extra hours and make an  
10 extra effort to really try to make those contacts, we  
11 feel that they can be very important and we all win.  
12 Our local communities win. The state of Missouri wins.  
13 It's very positive.

14           For vendors, the locally grown rice. We have  
15 a farmer, McKaskie Farms down there, that grows organic  
16 rice that we use in our restaurant.

17           Sam Crowe on the right, he has cotton blossom  
18 honey, which is some of the best honey that you can find  
19 from down in the Bootheel. And also Missouri peaches  
20 from Bader Farms. All those things that we can source  
21 locally and help promote Missouri products.

22           We want those travelers that are coming in  
23 from out of state to know that Missouri peaches are some  
24 of the best peaches in the country. So we want to help  
25 promote local and Missouri businesses.

1           Lady Luck-Caruthersville is dedicated to  
2 identifying and assisting problem gamblers. It's an  
3 important part of our training and it's an important  
4 part of our operational processes.

5           We take the opportunity each year during  
6 Responsible Gaming Week to refresh our folks on the  
7 training for responsible gaming and provide materials  
8 for all of the staff.

9           Lady Luck practices a strict identification  
10 policy as well regarding underage gaming, provides  
11 training to all its employees at orientation to assist  
12 in that process. We utilize electronic ID checkers and  
13 provide training on fraudulent IDs.

14           Lady Luck-Caruthersville also provides -- has  
15 provided over a quarter million dollars in cash and in-  
16 kind donations during the licensure period, and for a  
17 property our size we're very proud of that.

18           Over 218,000 of those contributions went  
19 directly to folks in Pemiscot County. The photos here  
20 show donations that were made to the Pemiscot County  
21 Animal Welfare Society for assistance with their new  
22 shelter that they had recently built.

23           On the right a donation of food made to the  
24 Ministerial Alliance for their annual food drive.

25           As you can see, Lady Luck made contributions

1 to various charities all over the local area in the last  
2 licensure period, most of those in the Bootheel.

3           The team members at Lady Luck-Caruthersville  
4 logged 2,989 volunteer hours in 2012. Here you see our  
5 property's Community Aces team cleaning up the highway  
6 leading into Caruthersville on the top left. The team  
7 also raised funds for Relay for Life.

8           And one of the things -- we got called by the  
9 school who had some -- who had some needs with some of  
10 the children, and we collected gloves and socks for the  
11 Caruthersville School District for them to distribute.

12           In addition to those things, our team is  
13 involved in various civic fraternal and charitable  
14 organizations. Here a gentleman is giving blood at the  
15 Red Cross blood drive. We just had one of those earlier  
16 this week, and I believe several of our staff that are  
17 here gave blood before their drive up yesterday.

18           With many long-term employees -- you know,  
19 our folks live in the communities where they grew up in  
20 and they have a vested interest in volunteering and  
21 being a part of the community.

22           Many of the staff and commissioners may  
23 recall -- remember Caruthersville Mayor Diane Sayre.  
24 She spoke before this Commission many times over the  
25 years. She was a strong leader for the City for over

1 20 years, having spearheaded the initial effort to get  
2 the casino in Caruthersville.

3 And I'm sad to say that Mayor Sayre passed  
4 away in May after a lengthy battle with cancer. The  
5 City is in an interim period now before a new election  
6 to elect a new mayor, but we are hopeful that we find  
7 someone to lead our city that is as strong as she was  
8 and as vocal and was not afraid to speak what was on her  
9 mind and we certainly miss her.

10 EXECUTIVE DIRECTOR STOTTLEMYER: It will be  
11 hard to do.

12 MR. RANDOLPH: At this time I'd like to  
13 introduce Mr. Terry Rushing, the Operations Supervisor  
14 for the City of Caruthersville.

15 MR. RUSHING: Good morning, Chairman and  
16 Commissioners.

17 CHAIRMAN/COMMISSIONERS: Good morning.

18 MR. RUSHING: Our Mayor Pro Tem Frank Morgan  
19 was going to be here but he was not able to make this  
20 trip due to an incident that happened there in town.  
21 So he had wrote a letter and I'm going to read that  
22 letter to you.

23 It is a great honor to express support for  
24 the management of Isle of Capri in Caruthersville. The  
25 group has worked very hard to be an integral part of our

1 community. With their assistance the enhancement of our  
2 downtown area and other facilities throughout the City  
3 has boosted pride within everyone.

4           The casino and restaurants have created jobs  
5 for many in the area during the time when employment is  
6 down all over the United States.

7           The casino encourages their employees to  
8 participate in events and functions, and some of the  
9 employees have formed a group to clean the entrances to  
10 the city. This has been a great benefit to the City.

11           Also the corporation has donated to functions  
12 such as the construction of the skateboard park in front  
13 of the Diane Sayre Recreational Center. It would not  
14 have been possible without their assistance for the  
15 youth to have such a park to express their creativity  
16 and ability.

17           Another area of the recreation for all of the  
18 ages made possible with a donation from the casino was  
19 the tennis court in front of the recreation center.  
20 There are four courts in the area that are utilized by  
21 everyone, including the schools.

22           The funds that are sent to the City from the  
23 State are of great benefit. The City has been able to  
24 improve the infrastructures for all residents. Water  
25 and sewer lines have been replaced and improved thanks

1 to funding from the gaming revenues. The City has  
2 increased -- would have increased indebttness if not for  
3 this funding.

4 Street improvements have been made to improve  
5 travel within the City thanks to the funds received from  
6 gaming.

7 The administration for the City has enjoyed a  
8 valuable partnership with the Isle of Capri and hope to  
9 continue to work together.

10 Respectfully, Frank Morgan, Mayor Pro Tem,  
11 Caruthersville.

12 CHAIRMAN HATCHES: Thank you, sir.

13 MR. RANDOLPH: Any questions?

14 CHAIRMAN HATCHES: Any questions from the  
15 Commissioners?

16 MR. RANDOLPH: If not, we suggest that  
17 Caruthersville be relicensed for another term.

18 Thank you.

19 CHAIRMAN HATCHES: Thank you.

20 MR. RANDOLPH: I was supposed to introduce  
21 Elizabeth back.

22 MS. TRANCHINA: The B team is up now.

23 I just want to -- I want to thank you very  
24 much for the opportunity to present to you today.

25 I think you can see from our presentations

1 that our company and the properties and their team are  
2 very passionate about the way we serve our communities.  
3 We're very proud of our gaming operations, and we  
4 respectfully request relicensure for both the corporate  
5 office, Isle of Capri Casinos, Inc., as well as our  
6 Class B licensees, and I'm happy to answer any questions  
7 that you may have.

8 CHAIRMAN HATCHES: Thank you.

9 Any questions from the Commissioners?

10 MS. TRANCHINA: Thank you very much.

11 CHAIRMAN HATCHES: Thank you.

12 EXECUTIVE DIRECTOR STOTTLEMYRE:

13 Mr. Chairman, we would offer the opportunity for any  
14 public comment to be had at this time.

15 Seeing none, the next item would be the  
16 investigative summary by Corporal Steve Gisselbeck.

17 CORPORAL GISSELBECK: Mr. Chairman and  
18 Commissioners.

19 On March 1, 2013 applications for the renewal  
20 of the Class A license of Isle of Capri Casinos,  
21 Incorporated and the Class B riverboat gaming licenses  
22 for Isle of Capri Casino-Kansas City, Incorporated, Isle  
23 of Capri Casino-Boonville, Incorporated and Isle of  
24 Capri-Caruthersville, LLC d/b/a Lady Luck Casino were  
25 received by the Missouri Gaming Commission.

1                   Upon receipt suitability investigations were  
2 initiated by the Missouri State Highway Patrol's Gaming  
3 Division and Missouri Gaming Commission financial  
4 investigators.

5                   The three Class B applicants set for renewal  
6 today are subsidiaries of the parent company, Isle of  
7 Capri Casinos, Incorporated, which is headquartered in  
8 Creve Coeur, Missouri.

9                   Financial and criminal background checks have  
10 been conducted on the company's Key and Level I  
11 personnel, along with a financial analysis of the  
12 company. City and county officials were contacted  
13 regarding any concerns with casino operations.

14                   ABS Consulting, Incorporated conducted the  
15 superstructure and life safety system surveys of each  
16 Class B property.

17                   The results of our investigation were  
18 provided to the Gaming Commission staff for their review  
19 and specific details related to those findings are  
20 contained in a comprehensive summary report in your  
21 possession.

22                   Thank you.

23                   CHAIRMAN HATCHES: Thank you.

24                   Any questions?

25                   CORPORAL GISSELBECK: Thank you, sir.

1                   CHAIRMAN HATCHES: Thank you.

2                   EXECUTIVE DIRECTOR STOTTLEMYRE: The next  
3 item would be the MBE/WBE compliance review. Cheryl  
4 Bonner will present.

5                   MS. BONNER: Good morning, Mr. Chairman,  
6 Commissioners.

7                   CHAIRMAN/COMMISSIONERS: Good morning.

8                   MS. BONNER: I present to you this morning  
9 the MBE/WBE reports for Isle of Capri-Kansas City.

10                   As of April 30th, 2013 Isle of Capri-  
11 Kansas City employed 48.4 percent minorities and  
12 45.9 percent females and 25.5 percent minorities and  
13 39.2 percent females in management.

14                   According to the 2010 U.S. Census, the City  
15 of Kansas City population is 40.8 percent minority and  
16 51.5 percent female.

17                   So Isle of Capri-Kansas City exceeds the  
18 employment of minorities; however, has room for  
19 improvement in the employment of females, as well as  
20 minorities and females in management.

21                   As to the 2012 MBE expenditures, this is the  
22 comparison as reported by Isle of Capri-Kansas City and  
23 as audited by the MGC. The variance is due to  
24 additional expenditures for one MBE that was not  
25 reported. Isle of Capri-Kansas City's total actual MBE

1 spend for 2012 was \$967.1 thousand and total spend was  
2 8.8 million.

3 As to the 2012 WBE expenditures, this is the  
4 comparison as reported by Isle of Capri-Kansas City and  
5 as audited by the MGC. There were no variances. Isle  
6 of Capri-Kansas City's total actual spend for 2012 was  
7 \$616.1 thousand and the total spend was 8.8 million.

8 This is a comparison of the MBE spend for  
9 2011 and 2012. The figures for both years were  
10 100 percent audited.

11 In comparing the quarters for 2011 and 2012,  
12 Isle of Capri-Kansas City's percentage of MBE spend has  
13 increased in all quarters. The increase is due to the  
14 utilization of the MBE vendor for a number of small  
15 maintenance projects and construction projects, as well  
16 as the use of a minority-owned beer supplier identified  
17 by Isle of Capri-Kansas City.

18 This is a comparison of the WBE spend for  
19 2011 and 2012. The figures for both years were  
20 100 percent audited.

21 In comparing the quarters for 2011 and 2012,  
22 Isle of Capri-Kansas City's percentage of WBE spend  
23 increased in the first and second quarters and decreased  
24 in the third and fourth quarters.

25 The increase in the first and second quarter

1 is due to the purchase of different products provided by  
2 an existing WBE vendor. The decrease in the third and  
3 fourth quarter was due to a floor signage project that  
4 was completed in 2011.

5           Isle of Capri-Kansas City has room for  
6 improvement to increase their WBE spend and should  
7 continue finding ways to increase their MBE spend.

8           Per Mark Coulter, General Counsel, Director  
9 of Intergovernmental Affairs for the Port Authority of  
10 Kansas City, Isle of Capri-Kansas City, has no severe  
11 deficiencies in meeting the targeted goals by ethnic  
12 classification and service categories set by the  
13 Authority Port.

14           Any questions?

15           CHAIRMAN HATCHES: I have just a process  
16 question.

17           As you go through your report for the  
18 different properties -- and let's just do this -- start  
19 with this one.

20           I know that you reported that there is room  
21 for improvement in that number. So when you draw that  
22 conclusion, is there an improvement plan that is  
23 discussed with the properties or what happens?

24           MS. BONNER: Actually I had a conference call  
25 with each property prior to the meeting, and we

1 discussed -- I asked them to have some -- be prepared to  
2 discuss the plans that they have, the plans that they  
3 put in place to increase their numbers.

4 And I think for -- I can't remember --

5 CHAIRMAN HATCHES: Is someone from Isle of  
6 Capri in Kansas City prepared to discuss it?

7 MR. STEFFEN: Commissioners, Todd Steffen,  
8 Vice-President and General Manager for the Kansas City  
9 Isle of Capri.

10 I think Cheryl referenced improvement for  
11 management promotion to meet the 2010 census for the  
12 Kansas City numbers.

13 I think earlier in my statements, you know,  
14 we're fortunate to have a diverse community where  
15 Kansas City -- we have a diverse community where we can,  
16 you know, promote within.

17 And, you know, the numbers were from  
18 April 30th. I know offhand of one promotion here in the  
19 last couple months from those numbers.

20 As far as the plan, we actively try to work  
21 on it. We try to hire within, promote within and try to  
22 make strides on those numbers.

23 CHAIRMAN HATCHES: I sure would like to see a  
24 plan. If you're working on one, I'd like to see what  
25 that is.

1 MR. STEFFEN: We can provide that.

2 CHAIRMAN HATCHES: I don't mean at the next  
3 renewal.

4 MR. STEFFEN: Yes, sir.

5 CHAIRMAN HATCHES: Sometime soon.

6 MR. STEFFEN: Yes, sir. I'll provide that  
7 plan for you.

8 CHAIRMAN HATCHES: Okay. Thank you.

9 MR. STEFFEN: You're welcome, sir.

10 CHAIRMAN HATCHES: I think you've done a good  
11 job. I think you're doing a good job, but I'd like to  
12 see your plan.

13 MR. STEFFEN: Yes, sir.

14 CHAIRMAN HATCHES: Thank you.

15 MS. BONNER: Any other questions?

16 I'd like to address the question that was  
17 posed by Commissioner Jones earlier about the  
18 professional services.

19 I briefly glanced at the vendors list that  
20 that was submitted to me, and I didn't identify any of  
21 the vendors as being professional services.

22 And according to Mark Coulter of the Port  
23 Authority, I spoke to him via telephone in regards to  
24 the categories that were broken down, and I provided you  
25 a copy of the categories.

1                   He indicated that there was no major  
2 deficiencies; however, there was no spend in the  
3 category of professional services for Isle of Capri-  
4 Kansas City.

5                   COMMISSIONER JONES: So the report has some  
6 discrepancies?

7                   MS. BONNER: I didn't --

8                   COMMISSIONER JONES: The report given by IOC  
9 had discrepancies in that they had a spend -- or they  
10 were spending with professional services?

11                  MS. BONNER: And I wasn't able to identify  
12 which ones those were. Maybe they can -- I can work  
13 with them for them to point out the ones that are  
14 professional services, but just at a brief glance I  
15 didn't see any.

16                  COMMISSIONER JONES: If you can provide that  
17 information, I certainly would appreciate it.

18                  MS. BONNER: Okay.

19                  CHAIRMAN HATCHES: Is there anyone here,  
20 Todd, with your team that could help with this question,  
21 your HR person?

22                  MR. STEFFEN: Commissioner Jones, I  
23 apologize. I misspoke. Rereading this report, going  
24 back to the audience, the Port Authority report that we  
25 submit on a quarterly basis, we do not have any spend in

1 the professional services category. We do have spend in  
2 construction category, materials and supplies category  
3 and in other category for a total spend.

4 We exceed -- with the Port Authority we  
5 exceed in some areas and we have areas for improvement  
6 in other areas.

7 COMMISSIONER JONES: So that area of  
8 improvement could be professional services; i.e., as you  
9 mentioned, accounting, legal, et cetera?

10 MR. STEFFEN: Yes, sir.

11 COMMISSIONER JONES: All right.

12 CHAIRMAN HATCHES: You might stay there for a  
13 second.

14 I want to make sure, Cheryl. This  
15 information is -- it came from where?

16 MS. BONNER: The Port Authority.

17 CHAIRMAN HATCHES: Okay. This shows -- if  
18 I'm reading this correctly, this shows the target goals  
19 by category and classification.

20 Is there another sheet that shows where you  
21 are in relationship with achieving these targets?

22 MR. STEFFEN: I have that report.

23 Again, we -- sir, we submit that report  
24 quarterly. There's a target and it's a form I think the  
25 Port Authority developed through a consultant that we

1 submit on a quarterly basis.

2 So there's a target and then where our spend  
3 is, and that's something we submit to the Port  
4 Authority's consultant for these reports.

5 CHAIRMAN HATCHES: For purposes of these  
6 proceedings I'd like to see the match to this, whatever  
7 you've done in achieving.

8 If you're not prepared to give it to me,  
9 okay, but I'd like to have it.

10 MS. BONNER: I did ask for that information  
11 from the Port Authority; however, I didn't get it. But  
12 I can ask for --

13 CHAIRMAN HATCHES: I'll try asking for it and  
14 see if I can get it.

15 MS. BONNER: And I would ask that the  
16 property just submit -- the properties just submit it to  
17 me when they submit it to the Port Authority. That way  
18 I have it, since I'm unable to obtain it from the Port  
19 Authority.

20 CHAIRMAN HATCHES: It's just a reasonable  
21 request. If you tell me what your targets are, then you  
22 ought to tell me how you're doing against those targets.

23 MS. BONNER: Any other questions about  
24 Kansas City?

25 CHAIRMAN HATCHES: Any other questions from

1 the Commissioners?

2 MS. BONNER: Okay. I will also present to  
3 you this morning the MBE/WBE report for Isle of Capri-  
4 Boonville.

5 As of April 30th, 2013 Isle of Capri-  
6 Boonville employed 7.5 percent minorities and  
7 54.2 percent females and 6.2 percent minorities and  
8 51.9 percent females in management.

9 According to the 2010 U.S. Census, the City  
10 of Boonville's population is 16.9 minority and  
11 44.8 percent female. So Isle of Capri-Boonville exceeds  
12 the employment of females and females in management;  
13 however, has room for improvement in the employment of  
14 minorities and minorities in management.

15 As to the 2012 MBE expenditures, this is the  
16 comparison as reported by Isle of Capri-Boonville and as  
17 audited by the MGC. The variances are due to the  
18 inclusion of tiered spend where supporting documentation  
19 could not be obtained.

20 Isle of Capri-Boonville's total actual MBE  
21 spend for 2012 was \$188.4 thousand and total spend was  
22 \$8.7 million.

23 As to the 2012 WBE expenditures, this is a  
24 comparison as reported by Isle of Capri-Boonville and as  
25 audited by the MGC.

1                   The variances were due to the inclusion of  
2                   tiered spend where supporting documentation could not be  
3                   obtained, the inclusion of vendors that were not  
4                   registered with the Secretary of State, therefore making  
5                   them ineligible to provide an affidavit, and additional  
6                   expenditures for one WBE that was not reported.

7                   Isle of Capri-Boonville's total actual WBE  
8                   spend for 2012 was 1.4 million and total spend was  
9                   \$8.7 million.

10                   CHAIRMAN HATCHES: Could you go back to that  
11                   page?

12                   MS. BONNER: Sure.

13                   CHAIRMAN HATCHES: Thank you.

14                   MS. BONNER: This is a comparison of the MBE  
15                   spend for 2011 and 2012. The figures for both years  
16                   were 100 percent audited.

17                   In comparing the quarters for 2011 and 2012,  
18                   of Isle of Capri-Boonville's percentage of MBE spend  
19                   decreased in the first, third and fourth quarters and  
20                   increased in the second quarter. The slide decrease is  
21                   due to a change in the utilization of a MBE promotional  
22                   product vendor to a WBE vendor.

23                   This is a comparison of the WBE spend for  
24                   2011 and 2012. The figures for both years were  
25                   100 percent audited.

1                   In comparing the quarters for 2011 and 2012,  
2 Isle of Capri-Boonville's percentage of WBE spend  
3 increased in each quarter. The significant increase is  
4 due to the utilization of a new WBE vendor for  
5 promotional products, the purchase of new uniforms for  
6 several departments and the one-time purchase of new  
7 kitchen equipment.

8                   Isle of Capri-Boonville has room for  
9 improvement to increase their MBE spend and should  
10 continue to find ways to increase their WBE spend.

11                   Any questions?

12                   CHAIRMAN HATCHES: Questions from the  
13 Commissioners?

14                   I'd make the same general request for the  
15 other Todd.

16                   MR. CONNELLY: Yes. We actually have --

17                   CHAIRMAN HATCHES: Come up.

18                   MR. CONNELLY: Sorry.

19                   And I'm Todd Connelly, General Manager of the  
20 Boonville facility.

21                   And in Exhibit B in the package, Exhibit B is  
22 a strategic MBE/WBE spend plan, and it's good for all of  
23 the properties.

24                   No. 1, the first strategy is access the  
25 listings of the Missouri MBEs/WBEs from the Missouri

1 website that we were provided, and to start that listing  
2 by the use of service, commodity column, choose the  
3 potential suppliers who could be used. So at least we  
4 have to identify what are we interested in and who is in  
5 that business, so we can narrow it down and include them  
6 in the bidding process.

7           Also we want to contact the potential  
8 suppliers to see if there is interest on the part in  
9 becoming a supplier of services or materials for our  
10 property, or all of the Isle of Capri properties for  
11 that matter, either now or in the future.

12           C, contact the proper Isle of Capri-Boonville  
13 departments to review the possibility of using MBE/WBE  
14 suppliers based on the specific needs.

15           So we've sent an e-mail down to all of the  
16 people who make buying decisions on a daily basis and  
17 make sure they have that information at their  
18 fingertips.

19           So if you're looking for -- something for a  
20 slot machine and can you get five vendors, are any of  
21 them qualified for this and make sure they're included  
22 in the bidding process.

23           No. 2, I believe at the corporate office we  
24 have hired Marks & Associates. All IOC Missouri  
25 properties are partnering with Marks & Associates, led

1 by Sandra Marks.

2 Marks & Associates is helping to manage  
3 our diversity spend by reviewing and improving our  
4 current processes so that we can increase our diversity  
5 spends -- our spend efforts in Missouri. They are  
6 reviewing our diversity policies and procedures and  
7 enabling us to partner with more MBE/WBE vendors.

8 Our ultimate goal is to have them help us to  
9 improve our diversity spend strategy and develop  
10 improved outcome measurement tools.

11 I just don't think they've been on board long  
12 enough to have an impact thus far. And that's managed  
13 at the corporate office.

14 Three, vendor fairs for MBE and WBE. We will  
15 send representatives to attend vendor fairs to meet with  
16 and find MBE/WBE suppliers that can provide service and  
17 the materials that are needed either now or in the  
18 future. This will be coordinated through the Isle of  
19 Capri purchasing department.

20 And then four, we will contact local groups  
21 and organizations that can refer us to MBE/WBE  
22 businesses or suppliers.

23 We could -- we could use the AACCP -- NAACP  
24 organizations, local chambers of commerce and other  
25 organizations that deal with minorities and women in

1 business.

2 So that's our plan, and I believe that is for  
3 all of the properties, a strategic plan.

4 CHAIRMAN HATCHES: Do we have that?

5 EXECUTIVE DIRECTOR STOTTLEMYRE: It's in the  
6 booklet.

7 CHAIRMAN HATCHES: In this booklet. Okay.

8 Thanks.

9 So again, this is for all three properties?

10 MR. CONNELLY: Yes. Well, actually I would  
11 say four as well. For Cape Girardeau as well.

12 CHAIRMAN HATCHES: Do you have something  
13 different?

14 MR. OSTEMPOWSKI: No. I wanted to say --  
15 just for clarification, Commissioner, I'm Ken  
16 Ostempowski. I'm the Senior Director of Finance there,  
17 and the purchasing department does report up through me.

18 And I just wanted to clarify that Marks &  
19 Association is an organization that is helping all of  
20 Missouri. So that specifically is what is also involved  
21 with Caruthersville and the Cape Girardeau property, as  
22 well as the Kansas City property. I want to make sure  
23 that is specific. That is specific. The other three  
24 will focus specifically through the Boonville market.

25 CHAIRMAN HATCHES: Is this just specific to

1 the Kansas City operation?

2 MR. OSTEMPOWSKI: The Port Authority requires  
3 that. The City of Boonville does not have any  
4 requirement.

5 CHAIRMAN HATCHES: But do you capture data  
6 like this?

7 MR. OSTEMPOWSKI: I apologize. I haven't  
8 seen that.

9 CHAIRMAN HATCHES: Okay.

10 MR. OSTEMPOWSKI: We can prepare that  
11 document. It's not currently at our fingertips though.

12 CHAIRMAN HATCHES: Okay. I'd like to see it  
13 for all of these properties.

14 MR. OSTEMPOWSKI: That is not a problem.

15 MS. TRANCHINA: Elizabeth Tranchina,  
16 Vice-President of Legal.

17 I guess I have a question about that. That  
18 is specifically related to our Development Agreement  
19 with the Port Authority and its goals or target goals  
20 that they have set forth.

21 So the other communities have not -- they  
22 don't have anything like that in place. So the numbers  
23 we present are the numbers that we present to the  
24 Missouri Gaming Commission.

25 The Port, I think, is my understanding, has a

1 little bit different definition and criteria for how  
2 they classify Minority Business Enterprises and Women  
3 Business Enterprises.

4 So I just want to make sure -- I'm not sure  
5 that particular document and that particular calculation  
6 would be relevant for all of our other properties.

7 So we are presenting numbers, but those  
8 numbers are based on the way the Port calculates -- or  
9 the criteria the Port has for those particular  
10 classifications of businesses.

11 CHAIRMAN HATCHES: Got you.

12 But you're probably submitting numbers on  
13 each one of these headings or captioned somehow. Right?

14 You're telling us, for example, what  
15 percentage of African American spend is in special  
16 services or construction?

17 MS. TRANCHINA: Okay. I'm sorry. So you  
18 would like to see this category for the numbers that we  
19 present to the MGC?

20 CHAIRMAN HATCHES: Right.

21 MS. TRANCHINA: Sure. Absolutely.

22 CHAIRMAN HATCHES: Not as it relates to the  
23 expectations in Kansas City.

24 MS. TRANCHINA: Understood. Absolutely.  
25 Just the breakdown.

1                   CHAIRMAN HATCHES: Just the reality of what  
2 you're doing in your properties --

3                   MS. TRANCHINA: Absolutely. We can certainly  
4 do that for you.

5                   CHAIRMAN HATCHES: -- by individual property.

6                   MS. TRANCHINA: Yes, we can certainly do that  
7 for you.

8                   CHAIRMAN HATCHES: And I know it's embedded  
9 somewhere in the documents. It's just easier to get  
10 it --

11                   MS. TRANCHINA: Sure. No. We don't have a  
12 problem. We will gladly present that information to  
13 you.

14                   CHAIRMAN HATCHES: Thank you.

15                   MS. BONNER: And, Mr. Chairman, what I'll do  
16 is roll that out to all of the properties across the  
17 state and just reformat it completely. If this is the  
18 way you want to see it broken out, that's fine. I can  
19 just roll it out and have it submitted to me in this  
20 format.

21                   CHAIRMAN HATCHES: Are all of your properties  
22 aware of the policy that you just read through?

23                   MR. CONNELLY: Todd Connelly, Boonville.

24                   What our Senior Director of Finance pointed  
25 out was No. 2, the Marks & Associates is for all four of

1 the Missouri properties. That organization will help us  
2 get better at all four properties.

3 1, 3 and 4 are what Boonville specific is  
4 doing. I'm not saying they're not doing them. I can't  
5 speak for them, but this is what Boonville is doing.

6 But No. 2, Marks & Associates, is for all  
7 Missouri properties.

8 CHAIRMAN HATCHES: Right. No. 2.

9 But is No. 3 and No. 4 -- 1, 3 and 4 for all  
10 properties?

11 MR. CONNELLY: I believe those are just  
12 Boonville that I know of. I'm unaware of what the other  
13 properties are doing.

14 CHAIRMAN HATCHES: Do you have a policy or a  
15 guideline for all of your properties as it relates to  
16 this strategy to improve or are they property specific?

17 MS. TRANCHINA: Elizabeth Tranchina again.

18 We do have a corporate plan that all of the  
19 properties participate in, and I think in the book that  
20 plan is included in your packet that you have.

21 And then as well, the Kansas City, I believe,  
22 and Boonville do have their own -- in addition to the  
23 plan that corporate has, their own plan for -- their  
24 strategic plan for improvement of Minority and Women  
25 Owned Business development.

1                   COMMISSIONER HOWARD: That's what I'm having  
2 trouble finding, the corporate plan.

3                   MS. TRANCHINA: The corporate plan -- and I  
4 apologize. It's actually got a -- each property adopts  
5 it as their own. So it actually has their logo on it.

6                   COMMISSIONER HOWARD: I'm finding  
7 Boonville's, and I appreciate that, as Exhibit B to  
8 Boonville's materials and I appreciate that.

9                   MS. TRANCHINA: The corporate plan probably  
10 is not in here.

11                   I'm sorry. It was submitted with the  
12 corporate application.

13                   CHAIRMAN HATCHES: Okay. So what we would  
14 like to see is your corporate plan --

15                   MS. TRANCHINA: Okay.

16                   CHAIRMAN HATCHES: -- and then that same plan  
17 if it's different by property.

18                   MS. TRANCHINA: Okay. That's fine. It was  
19 included in the application, and we'll be glad to get a  
20 copy to you.

21                   CHAIRMAN HATCHES: Okay. Don't leave.

22                   MS. TRANCHINA: Okay.

23                   CHAIRMAN HATCHES: Other questions?

24                   COMMISSIONER HOWARD: Yeah, I think that's  
25 where we're all going. We appreciate getting this

1 information from Boonville. That's helpful. And so I  
2 think what we're looking for is what applies  
3 corporatewide.

4 MS. TRANCHINA: Sure. Like I said, it was  
5 included as part of the renewal application but we're  
6 happy to submit additional copies.

7 CHAIRMAN HATCHES: Okay.

8 EXECUTIVE DIRECTOR STOTTLEMYRE: We can  
9 present that -- I believe David would be able to have  
10 access to that in the application, so we'll get that for  
11 you.

12 CHAIRMAN HATCHES: Okay.

13 MS. TRANCHINA: And, Mr. Stottlemyre, if  
14 there is anything else that you need, please just let us  
15 know and we'll promptly get it to you.

16 CHAIRMAN HATCHES: Because I think, again,  
17 without waiting until you come back again --

18 MS. TRANCHINA: Sure.

19 CHAIRMAN HATCHES: -- I'd like to have some  
20 further discussions around just understanding your  
21 improvement plan corporately and how it impacts each one  
22 of your properties, because each property is a little  
23 different in where they are versus where maybe you  
24 expect them to be.

25 MS. TRANCHINA: Exactly.

1                   CHAIRMAN HATCHES: And I'd like to make sure  
2 this Commission is just clear about that, so we measure  
3 you again on what we've all agreed to, and so again on a  
4 periodic basis we can certainly check against what we  
5 said we would expect.

6                   MS. TRANCHINA: Understood.

7                   CHAIRMAN HATCHES: Any other questions?

8                   Well, you're nearby, so you can come back.

9                   MS. TRANCHINA: Absolutely.

10                  MS. BONNER: Any other questions?

11                  I also present to you this morning the  
12 MBE/WBE reports for Lady Luck-Caruthersville.

13                  As of April 30th, 2013 Lady Luck-  
14 Caruthersville employed 30.4 percent minorities and  
15 55.7 percent females and 23.9 minorities and  
16 47.8 percent females in management.

17                  According to the 2010 U.S. Census, the City  
18 of Caruthersville's population is 36.1 percent minority  
19 and 53.4 percent female.

20                  So Lady Luck-Caruthersville exceeds in the  
21 employment of females; however, has room for improvement  
22 in the employment of minorities, as well as minorities  
23 and females in management.

24                  As to the 2012 MBE expenditures, this is the  
25 comparison as reported by Lady Luck and as audited by

1 the MGC. There were no variances.

2 Lady Luck's total actual MBE spend for 2012  
3 was \$99.1 thousand and the total spend was \$4.4 million.

4 As to the 2012 WBE expenditures, this is the  
5 comparison as reported by Lady Luck and as audited by  
6 the MGC. There were no variances.

7 Lady Luck's total actual WBE spend for 2012  
8 was \$651.2 thousand and total spend was \$4.4.

9 This is a comparison of the MBE spend for  
10 2011 and 2012. The figures for both years were  
11 100 percent audited.

12 In comparing the quarters for 2011 and 2012,  
13 Lady Luck's percentage of MBE spend increased in the  
14 first and third quarters and decreased in the second and  
15 fourth quarters. The decrease in the first and third  
16 quarters is due to a one-time flood cleanup project in  
17 2011 and the elimination of the use of one MBE vendor  
18 due to performance issues.

19 This is a comparison of WBE spend for 2011  
20 and 2012. The figures for both years were 100 percent  
21 audited.

22 In comparing the quarters for 2011 and 2012,  
23 Lady Luck's percentage of WBE spend increased in the  
24 first, second and fourth quarters and decreased in the  
25 third quarter.

1           The decrease in the third quarter was due to  
2 a reduction in marketing mailings in 2012 and the one-  
3 time purchase of new uniforms in 2011.

4           The increase in the first, second and fourth  
5 quarters was due to the utilization of two new WBE  
6 vendors for marketing promotions, the rolling out of a  
7 new players reward program and a one-time purchase of  
8 kitchen equipment.

9           Lady Luck has much room for improvement to  
10 increase their MBE spend and should continue finding  
11 ways to increase their WBE spend.

12           Any questions?

13           MR. RANDOLPH: I don't want to be left out.

14           CHAIRMAN HATCHES: Come on down.

15           MR. RANDOLPH: Our strategic plan is very  
16 similar to what is listed here from Boonville.

17           I think the importance of what Marks &  
18 Associates brings to the table, I know that they -- I  
19 believe they've been before the Commission related to  
20 the Cape Girardau project. What they were able to do  
21 with subcontractors and really getting to the -- really  
22 working through some of those challenges that we have in  
23 locating vendors, particularly in rural areas, and I  
24 think they're going to be able to help us do that.

25           We're relatively early in that process.

1 They've come down and asked us kind of similar  
2 questions, what are your processes, what are you doing,  
3 and are evaluating that currently to come back with us  
4 to gather best practices and to really help us find that  
5 direction and really take some action to improve those  
6 numbers.

7 I can tell you that a plan is just a plan.  
8 For us in Caruthersville it's going to have to be about  
9 us looking at opportunities.

10 If we just go out and say what are the  
11 minority businesses in Pemiscot County, I mean, we  
12 already know who those folks are. We're going to have  
13 to work to develop additional sourcing, and really I see  
14 it as an opportunity for us to help the economic  
15 development of our -- of our region if we can work with  
16 some of these people that are already established in the  
17 larger communities and help them branch out into our  
18 communities. And to me that's the real success.

19 And, you know, I want to come back at the  
20 next relicensing and have positive stories to tell you  
21 about, people that we've created jobs in our area  
22 related to this, and to me that's the goal.

23 And, I mean, I feel passionate about it,  
24 that's what we're going to work towards and we're going  
25 to try to make that happen, and I hope that I'm here to

1 come back and report those things to you.

2 CHAIRMAN HATCHES: I certainly appreciate  
3 your passion and your enthusiasm and would like to give  
4 you an opportunity before your relicensing to come back.

5 MR. RANDOLPH: We will do that.

6 CHAIRMAN HATCHES: Certainly when you were  
7 making your presentation was the thought that you have,  
8 looking at larger vendors, may have been in other areas  
9 and helping to bring them to your location. I think  
10 that's at least one of the ways to include.

11 You know, but I think the other thing -- I  
12 think this is generally for Isle of Capri in all of its  
13 properties, to think about opportunities for growing in  
14 some cases or establishing new businesses in your area  
15 through those relationships with people in much larger  
16 areas. I think those are good stories to be told also.

17 So I know that some of communities outside of  
18 Kansas City, maybe Boonville and the Isle, it may be a  
19 bit more challenging to look in your local areas to find  
20 minority and women-owned businesses to work with, but  
21 I'd just like to see you not come in and say that's the  
22 reason your numbers are low. I'd like to hear you talk  
23 about what you're doing to address those.

24 Because there are people out of work all over  
25 the place, and so it's hard to accept that you can't

1 find minority vendors or women-owned vendors in your  
2 area. Go out and get them, grow them in your community,  
3 allow them to work with other businesses to do that.

4 So I appreciate that and ask the other  
5 properties to look at the same thing.

6 MR. RANDOLPH: To your point, one of the  
7 things -- and I talked about the corporate contracts.

8 One of the challenges that we've had with  
9 smaller businesses was pricing. And so did it make  
10 economic sense if the pricing is higher?

11 But on those things that we have contracts  
12 with, that pricing is set and it's a market no matter  
13 what vendor we purchase that from.

14 So it's really a distribution issue. If they  
15 can get it to Caruthersville, the pricing is already set  
16 by our corporate contract, and they're going to get the  
17 market that the same vendor -- a nonminority vendor  
18 would have.

19 And so really it's working through that to  
20 get the volume up. For us in Caruthersville it may be  
21 working with other businesses that have -- that need  
22 similar products, to get the volume to a level that  
23 makes it sense.

24 But absolutely I would love to create -- to  
25 see local -- local businesses that are making -- that

1 are working as a distribution point for maybe some of  
2 those other folks, but there is opportunities out there  
3 for us to work through those. It's time consuming and  
4 it takes extra effort, but that's what we're committed  
5 to do.

6 CHAIRMAN HATCHES: All right. I think it's  
7 working.

8 COMMISSIONER JONES: I'd like to commend you  
9 on that, because I was just going to make a comment on  
10 that, reaching out for -- investigating the corporate  
11 contracts that you have and working with, you know,  
12 local vendors as being a distribution point as well. I  
13 think that's a great strategy of the corporate office  
14 here as well.

15 MR. RANDOLPH: We kind of initially seen that  
16 as our hands were tied because it was a corporate  
17 contract, so we had to go with a certain vendor.

18 But if we can work with -- you know, reach  
19 out and try to identify the minority vendors and try to  
20 work to -- I mean, once again, getting distribution into  
21 our local area, that is the key.

22 So thank you.

23 COMMISSIONER JONES: Thank you.

24 CHAIRMAN HATCHES: Thank you.

25 MS. BONNER: I wanted to add one thing.

1                   Lyle talked about our conference call. With  
2 the opening of Isle of Capri-Cape and they can kind of  
3 do some more bulk buying and sharing on that way as well  
4 with more minority and women-owned businesses.

5                   CHAIRMAN HATCHES: Anything else?

6                   Does that conclude your --

7                   MS. BONNER: That concludes my report.

8                   CHAIRMAN HATCHES: Any questions for  
9 Ms. Bonner before she sits down?

10                  I would just like to make an overall couple  
11 of comments to the Isle properties.

12                  I certainly want to thank you for coming  
13 today and making a presentation. We appreciate all of  
14 the information that you bring to us, but generally  
15 would like to say in your improvement plans, I'd really  
16 like to see a real effort to improve the numbers  
17 both in your minority hiring and in your vendors.

18                  I always look at first those percentages, the  
19 percentage of minority spend that you have by  
20 percentage, but what's even more important to me is when  
21 I look at the minority spend versus your overall spend,  
22 then I don't feel as good about what I see.

23                  And so I just think that there needs to be  
24 some real efforts to move that, and I said, certainly  
25 since being on this Commission, I'm not interested in

1 suggesting to you that there is a target out there, that  
2 there's a goal of some percentage. I really expect that  
3 every time we talk to you about MBE/WBE spend or hiring,  
4 that those numbers are better than the last time we  
5 talked about it, and so that you're making a real  
6 effort.

7           And again, I'd like to see your plan for  
8 doing that just so we can sign off on it, agree to it --  
9 or not necessarily sign off on it -- at least understand  
10 what it is, and it gives us something to measure you  
11 against just based on what you said you were going to  
12 do.

13           Cheryl does a good job in tracking  
14 information, and I know sometimes in these hearings,  
15 while we may have all of the data, it's just important  
16 that we see it a certain way, and that's why I really  
17 like this.

18           But, you know, just be prepared that when you  
19 give us information, that you're comfortable with it and  
20 that you can support what it is you're saying, because  
21 we don't take this -- we're not asking these questions  
22 to belong (sic) the meeting. We're very concerned about  
23 it.

24           And quite honestly I just don't think -- as a  
25 series of properties, I just don't think we're where we

1 need to be or where we could be, and I'd like to  
2 encourage you to develop plans to suggest that you're  
3 going to do better.

4 Thank you.

5 EXECUTIVE DIRECTOR STOTTLEMYRE:

6 Mr. Chairman, Staff will make recommendations. We will  
7 go through each resolution separately.

8 That we would recommend approval of  
9 Resolution No. --

10 CHAIRMAN HATCHES: Hold on one second.

11 COMMISSIONER JONES: Just one second.

12 How does Cape fit into the mix now? Because  
13 that was a concern -- that was just a question. Just  
14 for general information, you know, because since they  
15 came online later, when do they come up for renewal or  
16 will they come up in the next two years so everyone is  
17 together?

18 EXECUTIVE DIRECTOR STOTTLEMYRE: Their  
19 licensing will come up again next year and then they  
20 will fall in line with the rest of the company.

21 COMMISSIONER JONES: So they'll --

22 EXECUTIVE DIRECTOR STOTTLEMYRE: Because the  
23 statutes were changed to make it a four-year license.

24 COMMISSIONER JONES: Okay. So then they'll  
25 come in on that cycle.

1 EXECUTIVE DIRECTOR STOTTLEMYRE: Because of  
2 Cape being a new license, they were given their first  
3 license. They will go through a renewal process next  
4 year and then they will fall -- it's my understanding  
5 they will fall in line with the rest of the company --

6 COMMISSIONER JONES: Okay.

7 EXECUTIVE DIRECTOR STOTTLEMYRE: -- so that  
8 they would be at the same time like the other three  
9 applicants.

10 MR. GREWACH: I think they may be staggered,  
11 because if they get renewed, you know, after that first  
12 year -- these will start four years from today and then  
13 their four-year term will start at their next renewal.

14 EXECUTIVE DIRECTOR STOTTLEMYRE: At their  
15 next renewal.

16 CHAIRMAN HATCHES: If their next renewal is  
17 sometime later next year then, I'd like to suggest that  
18 we have a conversation with them this year about where  
19 they are after maybe October.

20 EXECUTIVE DIRECTOR STOTTLEMYRE: I guess it  
21 would be because it was actually October that they  
22 opened of last year, so it would be October of this  
23 year.

24 MR. GREWACH: So there would be a slight  
25 stagger, a few months.

1                   CHAIRMAN HATCHES: But just to be clear,  
2 we'll talk to them in October of this year and then it  
3 will be four years before we talk to them again, I mean,  
4 for relicensing?

5                   MR. GREWACH: Correct.

6                   CHAIRMAN HATCHES: So you-all may help out  
7 your new company down there by giving them a heads-up of  
8 what to expect.

9                   EXECUTIVE DIRECTOR STOTTLEMYRE: I see  
10 Mr. Fuller is here that is down there running that place  
11 now.

12                  CHAIRMAN HATCHES: Step on up. Come on up.

13                  EXECUTIVE DIRECTOR STOTTLEMYRE: I would hate  
14 for him to be left out.

15                  MR. FULLER: Barron Fuller, Vice-President  
16 and General Manager, Isle of Cape Girardeau. So welcome  
17 everybody.

18                  Fully committed to what we talked about in  
19 the last half hour. Worked with Mr. Ostempowski pretty  
20 extensively to develop a plan for Boonville, and we are  
21 fully committed to carry that out in Cape.

22                  So, yeah, we are going through a relicensing  
23 right now. We will present in October and then we will  
24 fall back into that four-year cycle.

25                  CHAIRMAN HATCHES: Okay. Can't wait to hear

1 it.

2 MR. FULLER: All right. Thank you very much.

3 COMMISSIONER JONES: You got the answers to  
4 the test.

5 MR. FULLER: You got it. I'm well prepared,  
6 and I didn't have to turn to my frat brothers for them.

7 CHAIRMAN HATCHES: This is all being  
8 recorded. You'll be prepared.

9 Okay. Thank you.

10 EXECUTIVE DIRECTOR STOTTLEMYRE: Any other  
11 questions?

12 CHAIRMAN HATCHES: We're ready.

13 EXECUTIVE DIRECTOR STOTTLEMYRE: Staff  
14 recommends approval of Resolution No. 13-062, which  
15 would be Isle of Capri Casino, Incorporated, the  
16 Class A.

17 CHAIRMAN HATCHES: Chair would entertain a  
18 motion.

19 COMMISSIONER JONES: Move for the acceptance  
20 of Resolution No. 13-062.

21 COMMISSIONER BRADLEY: Second.

22 CHAIRMAN HATCHES: It's been moved and  
23 seconded.

24 Any questions?

25 Any further discussion?

1 Angie, call the roll, please.

2 MS. FRANKS: Commissioner Howard.

3 COMMISSIONER HOWARD: Approve.

4 MS. FRANKS: Commissioner Jones.

5 COMMISSIONER JONES: Approve.

6 MS. FRANKS: Commissioner Bradley.

7 COMMISSIONER BRADLEY: Approve.

8 MS. FRANKS: Chairman Hatches.

9 CHAIRMAN HATCHES: Approve.

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

11 Resolution No. 13-062.

12 CHAIRMAN HATCHES: Mr. Stottlemyre.

13 EXECUTIVE DIRECTOR STOTTLEMYRE: Staff

14 recommends approval of Resolution No. 13-063, and this

15 would be for Isle of Capri-Kansas City, the Class B.

16 CHAIRMAN HATCHES: Chair would entertain a

17 motion.

18 COMMISSIONER JONES: Move for the acceptance

19 of Resolution No. 13-063.

20 COMMISSIONER BRADLEY: Second.

21 CHAIRMAN HATCHES: Moved and seconded.

22 Any further discussion?

23 Angie, would you call the roll, please.

24 MS. FRANKS: Commissioner Howard.

25 COMMISSIONER HOWARD: Approve.

1 MS. FRANKS: Commissioner Jones.

2 COMMISSIONER JONES: Approve.

3 MS. FRANKS: Commissioner Bradley.

4 COMMISSIONER BRADLEY: Approve.

5 MS. FRANKS: Chairman Hatches.

6 CHAIRMAN HATCHES: Approve.

7 MS. FRANKS: By your vote you've adopted  
8 Resolution No. 13-063.

9 EXECUTIVE DIRECTOR STOTTLEMYRE:

10 Mr. Chairman, Staff recommends approval of Resolution  
11 No. 13-064, and this is the Isle of Capri-Boonville,  
12 Class B.

13 CHAIRMAN HATCHES: Chair would entertain a  
14 motion.

15 COMMISSIONER JONES: Move for the acceptance  
16 of Resolution No. 13-064.

17 COMMISSIONER HOWARD: Second.

18 CHAIRMAN HATCHES: Moved and seconded.

19 Any further discussion?

20 Angie, would you call the roll, please.

21 MS. FRANKS: Commissioner Howard.

22 COMMISSIONER HOWARD: Approve.

23 MS. FRANKS: Commissioner Jones.

24 COMMISSIONER JONES: Approve.

25 MS. FRANKS: Commissioner Bradley.

1 COMMISSIONER BRADLEY: Approve.

2 MS. FRANKS: Chairman Hatches.

3 CHAIRMAN HATCHES: Approve.

4 MS. FRANKS: By your vote you've adopted

5 Resolution No. 13-064.

6 EXECUTIVE DIRECTOR STOTTLEMYRE:

7 Mr. Chairman, Staff recommends approval of Resolution

8 No. 13-065. That is the Isle of Capri-Caruthersville,

9 Class B.

10 CHAIRMAN HATCHES: Chair would entertain a

11 motion.

12 COMMISSIONER JONES: Move for the acceptance

13 of Resolution No. 13-065.

14 COMMISSIONER BRADLEY: Second.

15 CHAIRMAN HATCHES: Moved and seconded.

16 Any further discussion?

17 Angie, call the roll, please.

18 MS. FRANKS: Commissioner Howard.

19 COMMISSIONER HOWARD: Approve.

20 MS. FRANKS: Commissioner Jones.

21 COMMISSIONER JONES: Approve.

22 MS. FRANKS: Commissioner Bradley.

23 COMMISSIONER BRADLEY: Approve.

24 MS. FRANKS: Chairman Hatches.

25 CHAIRMAN HATCHES: Approve.

1 MS. FRANKS: By your vote you've adopted  
2 Resolution No. 13-065.

3 EXECUTIVE DIRECTOR STOTTLEMYRE:  
4 Mr. Chairman, it's been a long morning already. I would  
5 recommend about a five- or a ten-minute break and we  
6 would allow people that have been here for the licensing  
7 that want to go home can and then we can continue with  
8 the meeting, if that would be all right.

9 CHAIRMAN HATCHES: Let's see. Do you want to  
10 take a vote?

11 Thanks so much, Isle of Capri. Thanks for  
12 being here. Thanks for answering our questions. We  
13 look forward to continue to work with you. We'll take a  
14 ten-minute break.

15 (A RECESS WAS TAKEN.)

16 CHAIRMAN HATCHES: Okay. We're back on the  
17 record.

18 Mr. Stottlemyre, where are we?

19 EXECUTIVE DIRECTOR STOTTLEMYRE: The next  
20 item on the agenda would be the Consideration of  
21 Relicensure of certain Suppliers, and Sergeant Phil  
22 Morrison will present.

23 CHAIRMAN HATCHES: Thank you.

24 SERGEANT MORRISON: Good morning,  
25 Mr. Chairman, Commissioners.

1                   The Missouri State Highway Patrol  
2     investigators conducted the relicensing investigation of  
3     two supplier companies currently licensed in the state  
4     of Missouri.

5                   These investigations consisted of  
6     jurisdictional inquiries, feedback from affected gaming  
7     company clients, a review of disciplinary actions,  
8     litigation and business credit profiles, as well as a  
9     review of the key persons associated with each company.

10                  The results of these investigations were  
11     provided to the MGC staff for their review, and you  
12     possess a comprehensive summary report before you which  
13     outline our investigative findings for each company.

14                  The following supplier companies are being  
15     presented for your consideration: The first one is  
16     Gaming Partners International, USA based in Las Vegas,  
17     Nevada.

18                  EXECUTIVE DIRECTOR STOTTLEMYRE:  
19     Mr. Chairman, Staff recommends approval of Resolution  
20     No. 13-066.

21                  CHAIRMAN HATCHES: Chair would entertain a  
22     motion.

23                  COMMISSIONER HOWARD: I'll move for approval  
24     of Resolution No. 13-066.

25                  COMMISSIONER BRADLEY: Second.

1 CHAIRMAN HATCHES: Moved and seconded.  
2 Any discussion?  
3 Angie, would you call the roll, please.  
4 MS. FRANKS: Commissioner Howard.  
5 COMMISSIONER HOWARD: Approve.  
6 MS. FRANKS: Commissioner Jones.  
7 COMMISSIONER JONES: Approve.  
8 MS. FRANKS: Commissioner Bradley.  
9 COMMISSIONER BRADLEY: Approve.  
10 MS. FRANKS: Chairman Hatches.  
11 CHAIRMAN HATCHES: Approve.  
12 MS. FRANKS: By your vote you've adopted  
13 Resolution No. 13-066.  
14 SERGEANT MORRISON: The second company before  
15 you for consideration is Tech Art Manufacturing,  
16 Incorporated based in Las Vegas, Nevada.  
17 EXECUTIVE DIRECTOR STOTTLEMYRE:  
18 Mr. Chairman, Staff recommends approval of Resolution  
19 No. 13-067.  
20 CHAIRMAN HATCHES: Chair would entertain a  
21 motion.  
22 COMMISSIONER HOWARD: Move for approval of  
23 Resolution No. 13-067.  
24 COMMISSIONER BRADLEY: Second.  
25 CHAIRMAN HATCHES: Moved and seconded.

1 Any discussion?

2 Angie, would you call the roll, please.

3 MS. FRANKS: Commissioner Howard.

4 COMMISSIONER HOWARD: Approve.

5 MS. FRANKS: Commissioner Jones.

6 COMMISSIONER JONES: Approve.

7 MS. FRANKS: Commissioner Bradley.

8 COMMISSIONER BRADLEY: Approve.

9 MS. FRANKS: Chairman Hatches.

10 CHAIRMAN HATCHES: Approve.

11 MS. FRANKS: By your vote you've adopted

12 Resolution No. 13-067.

13 EXECUTIVE DIRECTOR STOTTLEMYRE:

14 Mr. Chairman, the next item on the agenda is

15 Consideration of Licensure of Level I/Key Applicants,

16 and Sergeant Morrison will present.

17 SERGEANT MORRISON: Mr. Chairman and

18 Commissioners, the Missouri State Highway Patrol

19 investigators, along with Gaming Commission financial

20 investigators, conducted comprehensive background

21 investigations on nine Key and Level I applicants.

22 The investigations included, but were not

23 limited to, criminal, financial and general character

24 inquiries which were made in the jurisdictions where the

25 applicants have lived, worked and/or frequented.



1 Resolution No. 13-068.

2 COMMISSIONER JONES: Second.

3 CHAIRMAN HATCHES: Moved and seconded.

4 Any further discussion?

5 Angie, call the roll, please.

6 MS. FRANKS: Commissioner Howard.

7 COMMISSIONER HOWARD: Approve.

8 MS. FRANKS: Commissioner Jones.

9 COMMISSIONER JONES: Approve.

10 MS. FRANKS: Commissioner Bradley.

11 COMMISSIONER BRADLEY: Approve.

12 MS. FRANKS: Chairman Hatches.

13 CHAIRMAN HATCHES: Approve.

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

15 Resolution No. 13-068.

16 EXECUTIVE DIRECTOR STOTTLEMYRE: The next

17 item on the agenda, Mr. Chairman, is the Consideration

18 of Disciplinary Actions.

19 Mr. Ed Grewach will present.

20 MR. GREWACH: Good morning, Mr. Chairman,

21 Commissioners.

22 CHAIRMAN/COMMISSIONERS: Good morning.

23 MR. GREWACH: The first item I have is a

24 preliminary order of discipline directed to River City

25 Casino.

1                   We have a Minimum Internal Control standard,  
2 G13.06, which requires the label for each gaming table  
3 drop box to be shown to the surveillance cameras during  
4 the drop counts.

5                   The most recent audit showed that this was  
6 not done on the dates of March 23rd, 24th and 26th of  
7 2012. This same violation was also noted in the prior  
8 audit in 2010, making this a repeat audit finding, and  
9 the Staff recommendation is a fine of \$5,000.

10                   CHAIRMAN HATCHES: Any questions from the  
11 Commissioners?

12                   Chair would entertain a motion.

13                   COMMISSIONER JONES: Move for the acceptance  
14 of DC-13-367.

15                   COMMISSIONER BRADLEY: Second.

16                   CHAIRMAN HATCHES: Moved and seconded.

17                   Any discussion?

18                   Angie, call the roll, please.

19                   MS. FRANKS: Commissioner Howard.

20                   COMMISSIONER HOWARD: Approve.

21                   MS. FRANKS: Commissioner Jones.

22                   COMMISSIONER JONES: Approve.

23                   MS. FRANKS: Commissioner Bradley.

24                   COMMISSIONER BRADLEY: Approve.

25                   MS. FRANKS: Chairman Hatches.

1                   CHAIRMAN HATCHES: Approve.

2                   MS. FRANKS: By your vote you've adopted  
3 DC-13-367.

4                   MR. GREWACH: Under Tab R we have a  
5 preliminary order of discipline directed to Ameristar  
6 Casino Kansas City.

7                   This actually involves two separate repeat  
8 audit findings. The first you'll see described in  
9 paragraph 17 of the Order.

10                   The Rule 5.184, Subparagraph 7, requires that  
11 prior to placing any cards into play they must be  
12 inspected by a dealer, verified by a floor supervisor,  
13 sorted into suits and sequence and also the back of each  
14 card has to be inspected for any potential flaws or  
15 marks.

16                   In the most recent audit it was disclosed  
17 that on April 26, 2012 that the back of the cards were  
18 not properly inspected and that not all cards were  
19 checked.

20                   This also was a prior audit finding on  
21 October 26th, 2010. The backs of every card was not  
22 checked in that case. The cards were only fanned in one  
23 direction which did not expose the back of every card  
24 and therefore constituted a failure to inspect the back  
25 of each card.

1           The second repeat audit finding is under our  
2 Minimum Internal Controls, Chapter G, Section 8.03,  
3 which requires that the property ensure that during a  
4 drop, during collection of the money, that no person has  
5 access within five feet of the area of the drop box that  
6 is a patron or is a nondrop team member.

7           The most recent audit, a review of  
8 surveillance showed that there were violations of that  
9 rule on February 24th, 26th, 29th and March 7th of 2012.

10           The prior audit also found that there were  
11 two separate violations of that same rule and,  
12 therefore, for the combined, for the two repeat audit  
13 findings, the recommendation is a fine of \$10,000.

14           CHAIRMAN HATCHES: Any questions?

15           Chair would entertain a motion.

16           COMMISSIONER BRADLEY: Motion to approve  
17 DC-13-368.

18           COMMISSIONER JONES: Second.

19           CHAIRMAN HATCHES: Moved and seconded.

20           Any further discussion?

21           Angie, call the roll, please.

22           MS. FRANKS: Commissioner Howard.

23           COMMISSIONER HOWARD: Approve.

24           MS. FRANKS: Commissioner Jones.

25           COMMISSIONER JONES: Approve.

1 MS. FRANKS: Commissioner Bradley.

2 COMMISSIONER BRADLEY: Approve.

3 MS. FRANKS: Chairman Hatches.

4 CHAIRMAN HATCHES: Approve.

5 MS. FRANKS: By your vote you've adopted

6 DC-13-368.

7 MR. GREWACH: Tab S is a preliminary order of

8 discipline directed to Caesar's Entertainment

9 Corporation.

10 Caesar's Entertainment, of course, is the  
11 corporate entity that owns Harrah's North Kansas City.

12 There's a State statute, 447.539, Subsection 1, that  
13 requires unclaimed property to be reported to and paid  
14 to the Missouri State Treasurer's Office.

15 We also have an internal control filed by  
16 Harrah's North Kansas City that incorporates those  
17 statutes into reference and indicates it will comply  
18 with that.

19 During the course of an audit for a time  
20 period of May 1st, 2011 to May 31st, 2012 it was  
21 discovered that certain unclaimed funds totaling  
22 \$19,806.55 that should have been sent pursuant to the  
23 statute to the Missouri Treasurer were sent instead by  
24 Caesar's Entertainment Corporation, the Class A  
25 licensee, to the State of Delaware.

1                   These funds had come into the possession of  
2 Harrah's North Kansas City during calendar years 2005  
3 and 2006.

4                   Caesar's, Incorporated had directed Harrah's  
5 to send those funds to Caesar's and then Caesar's  
6 handled them according to Caesar's policy of holding  
7 them for a certain time period and then sending those  
8 funds on to the State of Delaware instead of paying them  
9 to Missouri as legally they were required to do.

10                  DRB met, reviewed the case and recommended a  
11 fine of \$50,000 on this case. Caesar's responded to our  
12 14-day letter. Their response was that they felt they  
13 had acted in a good faith belief, that because Caesar's,  
14 Incorporated was a corporation incorporated in the state  
15 of Delaware, that the State of Delaware was the  
16 appropriate place to send these funds.

17                  They conceded in the letter that they now  
18 understand that was incorrect and have changed the  
19 process and changed their procedures and now has the  
20 money sent to the State of Missouri.

21                  This letter came to us late in December of  
22 2012, in which Caesar's indicated to us that they were  
23 in the process of sending a check back, the \$19,806.55  
24 check, back to the State of Missouri.

25                  They also went on in their letter to suggest

1 a fine of \$5,000, saying that was more appropriate a  
2 fine than the 50,000 that DRB had originally  
3 recommended.

4 The DRB reviewed that request and voted to  
5 maintain our recommendation that the fine be set at the  
6 sum of \$50,000.

7 We did double-check to see in preparation for  
8 this meeting whether that money had been sent back, and  
9 when we checked early in June of this year, then the  
10 next day, June 12, 2013, Caesar's overnighted a check in  
11 the correct amount to the Treasurer of the State of  
12 Missouri.

13 So in other words, it was in process from  
14 December to when we called them to find out if they had  
15 actually done it.

16 So again the DRB's recommendation in this  
17 case is for a fine of \$50,000.

18 CHAIRMAN HATCHES: Any questions?

19 Chair would entertain a moment.

20 COMMISSIONER JONES: Move for the approval of  
21 DC-13-369.

22 COMMISSIONER HOWARD: Second.

23 CHAIRMAN HATCHES: Moved and seconded.

24 Any further discussion?

25 Angie, would you call the roll, please.

1 MS. FRANKS: Commissioner Howard.

2 COMMISSIONER HOWARD: Approve.

3 MS. FRANKS: Commissioner Jones.

4 COMMISSIONER JONES: Approve.

5 MS. FRANKS: Commissioner Bradley.

6 COMMISSIONER BRADLEY: Approve.

7 MS. FRANKS: Chairman Hatches.

8 CHAIRMAN HATCHES: Approve.

9 MS. FRANKS: By your vote you've adopted  
10 DC-13-369.

11 EXECUTIVE DIRECTOR STOTTLEMYRE: Go ahead and  
12 ask.

13 CHAIRMAN HATCHES: Counsel, on Resolution  
14 No. 13-068, just a full disclosure, that I know one of  
15 the applicants. Should that be made part of the record?

16 MR. GREWACH: I think to make it part of the  
17 record, just disclosure. You know, unless you have a  
18 family or business relationship with them, it would not  
19 disqualify you from voting on the matter but just an  
20 acquaintance with the person would not and a full  
21 disclosure would seem to be appropriate.

22 CHAIRMAN HATCHES: So disclosed.

23 MR. GREWACH: Under Tab T we have a  
24 preliminary order of discipline directed to Isle of  
25 Capri-Caruthersville.

1                   This originated from a patron complaint. In  
2 the fall of 2012 the property held a promotion called  
3 the Grid Iron Challenge. The Grid Iron Challenge was  
4 set up for a time period from September 4th to  
5 December 30th.

6                   The patrons would come in and pick the  
7 winners of the upcoming Sunday games. If they won, then  
8 there were certain, you know, awards given to those  
9 patrons who picked correctly. It was set to begin at  
10 9:00 a.m. on September the 4th.

11                  This patron, who was the complaining person  
12 in this case, came to the property at 9:00 a.m. that day  
13 and was told the kiosk that was necessary to operate the  
14 promotion was down and was told to come back at  
15 6:00 p.m.

16                  That patron did come back at 6:00 p.m., was  
17 told that the kiosk was still down. The patron waited  
18 around until 9:00 p.m. and finally gave up and left the  
19 property.

20                  We have a Rule 5.181, paragraph 2,  
21 subparagraph A, which prohibits a company from operating  
22 any promotion involving any false or misleading  
23 statements but also prohibits them from conducting a  
24 promotion in any manner that negatively reflects on the  
25 licensee or on the integrity of the gaming process.

1                   The DRB in this case recommended a fine of  
2     \$5,000. The property responded to our 14-day letter.  
3     In their response they indicated that this same system  
4     had previously been installed in their Isle of Capri  
5     property in Black Hawk, Colorado. Because of that they  
6     really didn't come into the process anticipating any  
7     problem with it since it had been previously used in  
8     another property.

9                   So, therefore, they had it installed at the  
10    Caruthersville location on August the 31st. Shortly  
11    after the installation they became aware of an  
12    encryption problem that caused the anomaly or problem  
13    with the kiosk functioning.

14                  They indicated they worked through the  
15    Labor Day weekend to attempt to correct the problem and  
16    finally resolved that problem, they indicated, at  
17    8:35 p.m. on September the 4th, the first day of the  
18    promotion, about approximately twelve hours after the  
19    promotion was advertised to have begun.

20                  They gave us numbers just to indicate the  
21    size of the promotion. They said that there were  
22    156 people that participated and entered that first week  
23    and a total of 1,298 for the entire time period of the  
24    time the promotion was occurring.

25                  The DRB reviewed the 14-day letter and voted

1 to retain its recommendation of a \$5,000 fine.

2 CHAIRMAN HATCHES: Any questions from the  
3 Commissioners?

4 The Chair would entertain a motion.

5 COMMISSIONER BRADLEY: Motion to approve  
6 DC-13-370.

7 COMMISSIONER JONES: Second.

8 CHAIRMAN HATCHES: Moved and seconded.

9 Any further discussion?

10 Angie, would you call the roll, please.

11 MS. FRANKS: Commissioner Howard.

12 COMMISSIONER HOWARD: Approve.

13 MS. FRANKS: Commissioner Jones.

14 COMMISSIONER JONES: Approve.

15 MS. FRANKS: Commissioner Bradley.

16 COMMISSIONER BRADLEY: Approve.

17 MS. FRANKS: Chairman Hatches.

18 CHAIRMAN HATCHES: Approve.

19 MS. FRANKS: By your vote you've adopted  
20 DC-13-370.

21 MR. GREWACH: Under Tab U we have a  
22 preliminary order of discipline directed to River City  
23 Casino.

24 We have a Rule 5.0533, Subsection D, that  
25 requires all of the properties to comply with all

1 Federal State, local laws and regulations.

2 River City is located is located in St. Louis  
3 County. St. Louis County has a requirement that private  
4 security officers be licensed by the County Board of  
5 Police Commissioners.

6 The property had a security officer, Paul  
7 Anderson, whose license expired -- county license  
8 expired on September the 1st, 2012. Mr. Anderson worked  
9 17 days in September before they discovered the  
10 discrepancy and we are -- DRB is, therefore,  
11 recommending a \$10,000 fine.

12 CHAIRMAN HATCHES: Any questions from the  
13 Commissioners?

14 Chair would entertain a motion.

15 COMMISSIONER HOWARD: Motion to approve  
16 DC-13-371.

17 COMMISSIONER JONES: Second.

18 CHAIRMAN HATCHES: Moved and seconded.

19 Any further discussion?

20 Angie, would you call the roll, please.

21 MS. FRANKS: Commissioner Howard.

22 COMMISSIONER HOWARD: Approve.

23 MS. FRANKS: Commissioner Jones.

24 COMMISSIONER JONES: Approve.

25 MS. FRANKS: Commissioner Bradley.

1 COMMISSIONER BRADLEY: Approve.

2 MS. FRANKS: Chairman Hatches.

3 CHAIRMAN HATCHES: Approve.

4 MS. FRANKS: By your vote you've adopted  
5 DC-13-371.

6 MR. GREWACH: Thank you.

7 CHAIRMAN HATCHES: Thank you.

8 EXECUTIVE DIRECTOR STOTTLEMYRE:  
9 Mr. Chairman, we took care of all of the issues for  
10 closed yesterday. The minutes were approved. So we're  
11 ready to adjourn.

12 CHAIRMAN HATCHES: Entertain a motion for  
13 adjournment.

14 COMMISSIONER JONES: So moved.

15 COMMISSIONER BRADLEY: Second

16 CHAIRMAN HATCHES: Moved and seconded.

17 Angie, call the roll, please.

18 MS. FRANKS: Commissioner Howard.

19 COMMISSIONER HOWARD: Approve.

20 MS. FRANKS: Commissioner Jones.

21 COMMISSIONER JONES: Approve.

22 MS. FRANKS: Commissioner Bradley.

23 COMMISSIONER BRADLEY: Approve.

24 MS. FRANKS: Chairman Hatches.

25 CHAIRMAN HATCHES: Approve.

1                   We're done. Thank you all so much.

2                   (Meeting adjourned.)

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I, Patricia A. Stewart, RMR, RPR, CCR, a

Certified Court Reporter in the State of Missouri, do

hereby certify that the testimony that appears in the

foregoing transcript was taken by me to the best of my

ability and thereafter reduced to typewriting by me;

that I am neither counsel for, related to, nor employed

by any of the parties to the action in which this

hearing 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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Patricia A. Stewart

CCR No. 401