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4 BEFORE THE MISSOURI GAMING COMMISSION

5 STATE OF MISSOURI

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10 Telephonic Meeting

11 September 17, 2013

12 10:00 a.m.

13 Central Office

14 3417 Knipp Drive

15 Jefferson City, Missouri

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17 (Meeting start time: 10:07 a.m.)

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AGENDA

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I. Call to Order

4:2

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II. Consideration of Licensure

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A. Scientific Games Corporation

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1. Resolution No. 13-092

4:14

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III. Consideration of Waiver of Institutional

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Investor

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B. PAR Capital Management, Inc.

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1. Resolution No. 13-093

6:8

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IV. Consideration of Rules & Regulations

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C. Proposed Amendment

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1. 11 CSR 45-9.113 - Minimum

17

Internal Control Standards -

18

Chapter M7:17

19

V. Adjournment 9:12

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BEFORE THE MISSOURI GAMING COMMISSION

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STATE OF MISSOURI

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Telephonic Meeting

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September 17, 2013

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10:00 a.m.

11

Central Office

12

3417 Knipp Drive

13

Jefferson City, Missouri

14

15 COMMISSIONERS PRESENT (TELEPHONICALLY):

16

Dr. Barrett Hatches, Chairman

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Suzanne Bocell Bradley

18

Darryl T. Jones

19

Diane C. Howard

20 REPORTED BY:

21 Patricia A. Stewart

22 RMR, RPR, CCR 401

23 3432 West Truman Boulevard, Suite 207

24 Jefferson City, Missouri 65109

25 573-636-7551

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

2 CHAIRMAN HATCHES: Let's call the meeting to
3 order.

4 Angie, would you call the roll, please.

5 MS. FRANKS: Commissioner Howard.

6 COMMISSIONER HOWARD: Present.

7 MS. FRANKS: Commissioner Jones.

8 COMMISSIONER JONES: Present.

9 MS. FRANKS: Commissioner Bradley.

10 COMMISSIONER BRADLEY: Present.

11 MS. FRANKS: Chairman Hatches.

12 CHAIRMAN HATCHES: Present.

13 Mr. Stottlemyre.

14 EXECUTIVE DIRECTOR STOTTLEMYRE: The first
15 item on the agenda would be the Consideration of
16 Licensure of Scientific Games Corporation, and Mr. Ed
17 Grewach will present.

18 MR. GREWACH: Thank you.

19 WMS Industries, Incorporated is a license
20 supplier. Scientific Games Corporation has a contract
21 to acquire WMS. After the acquisition WMS will continue
22 to operate and will continue to act as our license
23 supplier.

24 So this resolution would approve the petition
25 for change of control and approve Scientific Games'

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1 application to be a key business entity. We have
2 concluded our investigation and it did not show any
3 discrepancies or concerns.

4 EXECUTIVE DIRECTOR STOTTLEMYRE: And Staff
5 recommends approval of Resolution No. 13-092.

6 CHAIRMAN HATCHES: Any questions from the
7 Commissioners?

8 COMMISSIONER JONES: Just one, Ed.

9 Now, they have not completed the transaction
10 as of today, or have they?

11 MR. GREWACH: They have not. They need the
12 regulatory approval prior to the closing.

13 COMMISSIONER JONES: Oh, okay. I got you.
14 Okay.

15 CHAIRMAN HATCHES: Any other questions?

16 Chair would entertain a motion.

17 COMMISSIONER JONES: Move for the acceptance
18 of Resolution No. 13-092.

19 COMMISSIONER BRADLEY: Second.

20 CHAIRMAN HATCHES: Moved and seconded.

21 Any further discussion?

22 Angie, would you call the roll, please.

23 MS. FRANKS: Commissioner Howard.

24 COMMISSIONER HOWARD: Approve.

25 MS. FRANKS: Commissioner Jones.

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1 COMMISSIONER JONES: Approve.

2 MS. FRANKS: Commissioner Bradley.

3 COMMISSIONER BRADLEY: Approve.

4 MS. FRANKS: Chairman Hatches.

5 CHAIRMAN HATCHES: Approve.

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

7 Resolution No. 13-092.

8 EXECUTIVE DIRECTOR STOTTLEMYRE:

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

10 Consideration of Waiver of Institutional Investor.

11 Mr. Ed Grewach will present.

12 MR. GREWACH: This is an application by PAR

13 Capital Management, Incorporated for an institutional

14 investor waiver. The regulations require Commission

15 approval if the institutional investor anticipates

16 acquiring more than 10 percent interest in the company.

17 They do after our review qualify as an

18 institutional investor. They provided us with the

19 certifications required by the rule.

20 CHAIRMAN HATCHES: Any questions?

21 EXECUTIVE DIRECTOR STOTTLEMYRE: And Staff

22 recommends approval of Resolution No. 13-093.

23 CHAIRMAN HATCHES: Any questions from the

24 Commissioners?

25 Chair would entertain a motion.

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1 COMMISSIONER BRADLEY: Motion to approve
2 Commission Resolution No. 13-093.

3 COMMISSIONER JONES: Second.

4 CHAIRMAN HATCHES: Moved and seconded.

5 Any further discussion?

6 Angie, would you call the roll, please.

7 MS. FRANKS: Commissioner Howard.

8 COMMISSIONER HOWARD: Approve.

9 MS. FRANKS: Commissioner Jones.

10 COMMISSIONER JONES: Approve.

11 MS. FRANKS: Commissioner Bradley.

12 COMMISSIONER BRADLEY: Approve.

13 MS. FRANKS: Chairman Hatches.

14 CHAIRMAN HATCHES: Approve.

15 MS. FRANKS: By your vote you've adopted
16 Resolution No. 13-093.

17 EXECUTIVE DIRECTOR STOTTLEMYRE:

18 Mr. Chairman, the next item on the agenda is
19 Consideration of Rules and Regulations. Mr. Grewach
20 will present.

21 MR. GREWACH: This is a proposed rule
22 amendment to the Minimum Internal Control Standards,
23 Chapter M, which covers surveillance.

24 The only change in this amendment is a
25 deletion of a sentence in Chapter M, paragraph 1.02.

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1 That sentence stated that the Surveillance
2 Department will be a part of the Class A's
3 organizational structure and not an organizational unit
4 of the Class B licensee.

5 It created confusion because actually the
6 surveillance employees are Class B employees. The
7 Surveillance Department and their employees are in the
8 Class B's organizational chart.

9 So deleting this sentence clears up that
10 confusion and makes it clear that the surveillance
11 director shall report directly to an organizational
12 level above that of the general manager; in other words,
13 the surveillance director will report to someone at the
14 Class A Licensee above the general manager.

15 CHAIRMAN HATCHES: Okay.

16 EXECUTIVE DIRECTOR STOTTLEMYRE: Staff
17 recommends approval of 11 CSR 45-9.113.

18 CHAIRMAN HATCHES: Any questions from the
19 Commissioners?

20 Chair would then entertain a motion.

21 COMMISSIONER HOWARD: I'll move for approval
22 of proposed amendment 11 CSR 45-9.113.

23 COMMISSIONER JONES: Second.

24 CHAIRMAN HATCHES: Moved and seconded.

25 Any further discussion?

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1 Angie, would you 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 11 CSR 45-9.113.

12 EXECUTIVE DIRECTOR STOTTLEMYRE:

13 Mr. Chairman, we have nothing for closed, so we are
14 ready to adjourn the meeting.

15 CHAIRMAN HATCHES: Oh, I feel so sad.

16 COMMISSIONER JONES: Well, I almost missed
17 it.

18 EXECUTIVE DIRECTOR STOTTLEMYRE: I said it's
19 going to take longer to get us on the phone than it was
20 to have the meeting.

21 CHAIRMAN HATCHES: Well, we appreciate it.

22 Chair would entertain a motion to adjourn.

23 COMMISSIONER HOWARD: I'll move to adjourn.

24 COMMISSIONER BRADLEY: Second.

25 CHAIRMAN HATCHES: Moved and seconded.

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1 Angie.

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 WHEREIN, the meeting concluded at

11 10:20 p.m.

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CERTIFICATE OF REPORTER

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

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Certified Court Reporter in the State of Missouri, do

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hereby certify that the testimony that appears in the

8

foregoing transcript was taken by me to the best of my

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

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by any of the parties to the action in which this

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hearing was taken, and further that I am not a relative

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or employee of any attorney or counsel employed by the

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parties thereto, nor financially or otherwise interested

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in the outcome of the action.

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Patricia A. Stewart

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CCR No. 401

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