

MISSOURI GAMING COMMISSION
Open Session Minutes
January 28, 2015

The Missouri Gaming Commission (the “Commission”) went into open session at approximately 7 a.m. on January 28, 2015, at the Commission’s Jefferson City office.

The Commission staff presented the Commissioners with a general overview of the functions and duties of the Commission and its staff.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BEFORE THE MISSOURI GAMING COMMISSION
STATE OF MISSOURI

Meeting
January 28, 2015
10:00 a.m.
Central Office
3417 Knipp Drive
Jefferson City, Missouri

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

	AGENDA	page
1		
2		
3	I. Call to Order	5:2
4	II. Consideration of Minutes	
5	A. December 3, 2014	9:8
6	B. December 17, 2014	9:24
7	III. Consideration of Hearing Officer	
8	Bryan Wolford's Recommendations	
9	C. Lisa Shelton	
10	1. Resolution No. 15-001	12:7
11	D. Brian T. Meehan	
12	1. Resolution No. 15-002	15:11
13	E. Nyra Campbell	
14	1. Resolution No. 15-003	20:20
15	IV. Consideration of Disciplinary Actions	
16	F. Ameristar Casino Kansas City, Inc.	
17	1. DC-15-003	26:3
18	G. Ameristar Casino Kansas City, Inc.	
19	1. DC-15-004	31:24
20	H. Ameristar Casino Kansas City, Inc.	
21	1. DC-15-005	34:6
22	I. Ameristar Casino St. Charles, Inc.	
23	1. DC-15-006	38:22
24	J. Aristocrat Technologies, Inc.	
25	1. DC-15-007	40:9
26	K. Casino One Corporation	
27	1. DC-15-008	46:8
28	L. Casino One Corporation	
29	1. DC-15-009	49:4
30	M. Harrah's North Kansas City, LLC	
31	1. DC-15-010	51:21
32	N. Harrah's North Kansas City, LLC	
33	1. DC-15-011	53:7
34	O. IOC-Caruthersville, Inc.	
35	1. DC-15-012	56:4
36	P. Missouri Gaming Company	
37	1. DC-15-013	57:22
38	Q. Missouri Gaming Company	
39	1. DC-15-014	59:20
40	V. Consideration of Relicensure of Certain	
41	Suppliers	
42	R. Konami Gaming, Inc.	
43	1. Resolution No. 15-004	62:18
44		

1	AGENDA (CONT'D)	
2		page
3	VI. Consideration of Licensure of Certain Suppliers	
4	S. Landry Holdings, LLC dba Casino Tech	
	1. Resolution No. 15-005	65:20
5	VII. Consideration of Licensure of Certain Level I/ Key Applicants	
6	T. Resolution No. 15-006	68:2
7	XI. Consideration of Waiver of Institutional Investors	
8	U. FIF V PFD, LLC	
	1. Resolution No. 15-007	70:23
9	V. Omega Advisors, Inc.	
	1. Resolution No. 15-008	70:23
10		
11	IX. Consideration of Election of Vice-Chairman	73:2
12	X. Consideration of Delegation of Authority to Chairman	
13	W. Resolution No. 15-009	75:6
14	XI. Consideration of Settlement Agreement	
	X. William S. Bargman	
15	1. Resolution No. 15-010	76:22
16	XII. Motion for Closed Meeting under Sections 313.847, RSMo, Investigatory, Proprietary and Application Records and 610.021(1), RSMo, Legal Actions, (3) & (13) Personnel and (14) Records Protected from Disclosure by Law	79:24
17		
18		
19		
20		
21		
22		
23		
24		
25		

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BEFORE THE MISSOURI GAMING COMMISSION
STATE OF MISSOURI

Meeting
January 28, 2015
10:00 a.m.
Central Office
3417 Knipp Drive
Jefferson City, Missouri

COMMISSIONERS PRESENT:

Leland M. Shurin, Chairman
Diane C. Howard
Larry D. Hale
Thomas Neer

REPORTED BY:

Patricia A. Stewart, CCR 401
3432 West Truman Boulevard, Suite 207
Jefferson City, Missouri 65109
573-636-7551

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

2 CHAIRMAN SHURIN: I'll call the meeting of
3 the Missouri Gaming Commission to order.

4 Before we get underway, I'd like to ask
5 everyone to please turn off your cell phone during the
6 meeting.

7 Angie, let's call the roll, please, for a
8 quorum.

9 MS. FRANKS: Commissioner Neer.

10 COMMISSIONER NEER: Here.

11 MS. FRANKS: Commissioner Jamison.

12 (No response.)

13 MS. FRANKS: Commissioner Hale.

14 COMMISSIONER HALE: Present.

15 MS. FRANKS: Commissioner Howard.

16 COMMISSIONER HOWARD: Present.

17 MS. FRANKS: Chairman Shurin.

18 CHAIRMAN SHURIN: Present.

19 Before we start any formal part of the
20 meeting, I'd like to point out that there are three new
21 commissioners sitting here and how excited we are to be
22 part of this great Commission and great staff of
23 employees, everything.

24 And I am speaking, I think for my fellow new
25 commissioners, and say how excited we are to be part of

1 this educational and important Commission and look
2 forward to working with all of the employees and others
3 that we work with throughout the year.

4 I'd also like to take a moment to recognize
5 several Gaming Commission employees who have gone above
6 and beyond the normal work to do such exemplary work.

7 And I think some of them are watching by
8 video from other locations. Is that right?

9 EXECUTIVE DIRECTOR STOTTLEMYRE: That's
10 correct.

11 CHAIRMAN SHURIN: Great.

12 Tabitha Perkins is a senior office support
13 assistant at Lumiere Place Casino in Downtown St. Louis,
14 and she took it upon herself to contact her superiors to
15 ask their permission to clean up a database which had
16 not been touched in years.

17 Tabitha removed nonusers, provided updates
18 and streamlined our system. Her initiative and work on
19 this project is to be commended. Congratulations,
20 Tabitha.

21 The second group of employees to be
22 recognized this morning are the senior office support
23 assistants and a couple of investigators.

24 The investigators saw a need for a senior
25 office support assistance manual, or an operating guide,

1 so that the senior office support assistants would have
2 synchronized tasks. The manual was compiled and is a
3 valuable 30-page tool and resource.

4 Investigator Laura Nehring conceived the idea
5 and produced the SOSA guide. Investigator Dave Leitman
6 collaborated with Laura Nehring. SOSA supervisor Debi
7 Grueneberg and SOSA's Mandi Lambert, Tabitha Perkins,
8 Brenda McKinzie, Angie Rinker-Lugo, Sonya Miller and Pat
9 Levins are all to be commended for their hard work on
10 this important guide which is now being used and will be
11 used in the future.

12 Again, the Commissioners new and -- I don't
13 want to say old -- new and continuing thank these people
14 for their hard work and going above and beyond the
15 normal workload.

16 And now I'd like to call Captain Norman
17 Murphy of the Missouri State Highway Patrol to the front
18 for a presentation.

19 Captain.

20 CAPTAIN MURPHY: Thank you, sir.

21 In January of 1990 the 62nd recruit class
22 started careers with the Highway Patrol and somehow
23 eight of them ended up in the Gaming Division, which I
24 found to be rather miraculous, and I asked them to come
25 here today when I got this letter from the Colonel. The

1 Patrol has a tradition of recognizing 25 years of
2 service.

3 When I got this letter from the Colonel, I
4 invited them all here under false pretenses. I kind of
5 thought with them being trained investigators they might
6 figure it out, but not so much.

7 So, Colonel Stottlemire, you might be leaving
8 at the right time.

9 I would like to invite these guys up here and
10 be recognized for 25 years of service.

11 Before I say that I'd like to tell you guys
12 that my family has been with the Patrol for
13 74 consecutive years, and I want to tell you all that I
14 appreciate the efforts that you've given the Highway
15 Patrol to make this a better organization.

16 And from Colonel Replogle and the Missouri
17 State Highway Patrol I want to commend you for 25 years
18 of dedicated service to the Patrol and to the citizens
19 of Missouri.

20 I'd like Lieutenant John Enderle to step
21 forward, Sergeant Dale Chenoweth, Sergeant Mike
22 Finnegan, Sergeant Matt Lopane, Sergeant Troy Pittman,
23 Corporal John Gassen and Corporal Pat Leonard.
24 Corporal Jay Shirley is not working currently. He's
25 injured, so he's not here today.

1 Please step forward, guys.

2 We give each member of the Patrol a 25-year
3 service pin when they reach this accomplishment.

4 (Pins distributed.)

5 (Applause.)

6 CHAIRMAN SHURIN: Thank you.

7 Consideration of Minutes next.

8 December 3, 2014 minutes.

9 Do I hear a motion to approve those minutes?

10 COMMISSIONER NEER: Motion to approve.

11 COMMISSIONER HOWARD: Second that motion.

12 CHAIRMAN SHURIN: Angie, would you call the
13 roll, please.

14 MS. FRANKS: Commissioner Neer.

15 COMMISSIONER NEER: Approved.

16 MS. FRANKS: Commissioner Hale.

17 COMMISSIONER HALE: Approved.

18 MS. FRANKS: Commissioner Howard.

19 COMMISSIONER HOWARD: Approved.

20 MS. FRANKS: Chairman Shurin.

21 CHAIRMAN SHURIN: Approved.

22 MS. FRANKS: By your vote you've adopted the
23 minutes of the December 3rd, 2014 meeting.

24 CHAIRMAN SHURIN: Okay. Now we have the
25 December 17, 2014, consideration of those minutes.

1 Again, can I hear a motion for approval?

2 COMMISSIONER HALE: So moved.

3 COMMISSIONER HOWARD: I'll second it.

4 CHAIRMAN SHURIN: Angie, please call the roll
5 for vote.

6 MS. FRANKS: Commissioner Neer.

7 COMMISSIONER NEER: Approve.

8 MS. FRANKS: Commissioner Hale.

9 COMMISSIONER HALE: Approve.

10 MS. FRANKS: Commissioner Howard.

11 COMMISSIONER HOWARD: Approve.

12 MS. FRANKS: Chairman Shurin.

13 CHAIRMAN SHURIN: Approve.

14 MS. FRANKS: By your vote you've adopted the
15 minutes of the December 17, 2014 meeting.

16 MR. GREWACH: Mr. Chairman, the next item on
17 the agenda is the Consideration of Hearing Officer Bryan
18 Wolford's Recommendations.

19 And Ed is going to make a statement or two
20 here before we let Bryan start.

21 CHAIRMAN SHURIN: Before you do that, Ted,
22 can you come up and help me?

23 (TED SMITH APPROACHED AND FACILITATED.)

24 CHAIRMAN SHURIN: There you go.

25 I promise you that that won't be the first

1 time or the last time this happens in this meeting or
2 any other.

3 Ed, please go ahead.

4 MR. GREWACH: I just wanted to give a brief
5 introduction to these three agenda items, C, D and E.

6 These are disciplinary cases against
7 occupational licensees, the workers on the boats.

8 In these cases the disciplinary action starts
9 with the Executive Director signing a preliminary order
10 of discipline. The licensee then, the worker, has
11 30 days to request a hearing. These are three cases
12 where that has occurred.

13 In these cases the case went to Bryan
14 Wolford, our hearing officer. He conducted the hearing,
15 took evidence, exhibits. You'll have before you that
16 transcript of that hearing, as well as the exhibits, and
17 you'll also have in front of you his findings of fact
18 and recommendations to the Commission for a ruling on
19 this case.

20 And the next step will be Hearing
21 Officer Wolford will come up and present his findings to
22 you verbally. After that, if the licensees are here in
23 person, then the Chairman can call them, and if they are
24 here in person, they have a chance also to make a
25 statement to the Commission.

1 Once that is all done, then at that point in
2 time the Commission by rule can either adopt, reject,
3 modify or remand the case back to the hearing officer
4 for further proceedings.

5 CHAIRMAN SHURIN: Thank you.

6 MR. WOLFORD: Thank you, Ed.

7 Mr. Chairman, Commissioners, for your
8 consideration Resolution No. 15-001, the matter of Lisa
9 Shelton.

10 Ms. Shelton was a cage shift manager at the
11 Hollywood Casino in St. Louis, and on November 2nd, 2012
12 Surveillance notified the Commission agent on the boat
13 of an issue with table fills.

14 Now, what a table fill is is when the cage
15 gets an order to bring chips or casino assets to the
16 gaming tables out on the floor.

17 Ms. Shelton had authorized the use of an
18 unsecured cart -- several unsecured carts to carry these
19 table fills of chips.

20 The chips were placed in some instances
21 directly onto these carts without being secured in the
22 transparent plastic box known in the industry as a bird
23 cage as required by the internal controls.

24 The internal controls, Chapter D,
25 Section 6-08, requires these clear chip carriers to be

1 Were other carts available at the time?

2 MR. WOLFORD: There were only two carts
3 available at the time and then those two clear plastic
4 bird cages.

5 Some of the bird cages were placed on the
6 carts and sometimes it was just the trays of chips
7 placed directly on the carts.

8 Now, these carts at one time could have been
9 serviceable but they had a Plexiglass coating on them
10 that had been so scratched that it wasn't transparent,
11 so Surveillance couldn't see the chips inside the carts,
12 which is the purpose of the MICS on this.

13 COMMISSIONER NEER: Thank you.

14 CHAIRMAN SHURIN: Anything further?

15 Okay. Do we proceed with a motion to approve
16 the decision of the hearing officer?

17 EXECUTIVE DIRECTOR STOTTLEMYRE: That's
18 correct.

19 CHAIRMAN SHURIN: Okay. I'll call for such a
20 motion.

21 COMMISSIONER HOWARD: I move to approve
22 Resolution No. 15-001.

23 COMMISSIONER HALE: Second.

24 CHAIRMAN SHURIN: Angie, please call the roll
25 for vote.

1 MS. FRANKS: Commissioner Neer.

2 COMMISSIONER NEER: I approve.

3 MS. FRANKS: Commissioner Hale.

4 COMMISSIONER HALE: Approve.

5 MS. FRANKS: Commissioner Howard.

6 COMMISSIONER HOWARD: Approve.

7 MS. FRANKS: Chairman Shurin.

8 CHAIRMAN SHURIN: Approve.

9 MS. FRANKS: By your vote you've adopted
10 Resolution No. 15-001.

11 MR. WOLFORD: Mr. Chairman, Commissioners,
12 for your consideration Resolution No. 15-002, the matter
13 of Brian T. Meehan.

14 Mr. Meehan was employed as a table game
15 supervisor at the Hollywood Casino in St. Louis. On
16 February the 6th of 2013 Surveillance notified the
17 Gaming Commission's agent on the boat of patrons of the
18 casino engaged in lewd and inappropriate behavior.

19 Mr. Meehan had relieved another pit
20 supervisor in the Rodeo high-limit room of the casino.

21 When he came to the pit, there were a male
22 and female patron playing a table game in the pit, and
23 during the nearly 50 minutes that Meehan was in the pit,
24 they in full view of Meehan engaged in very lewd, very
25 inappropriate behavior, touching on each other and

1 simulating some sexual acts on each other, groping,
2 stuff that was clearly lewd and inappropriate.

3 Mr. Meehan did not address this with the
4 patrons, nor did he immediately notify his supervisor or
5 the Commission agent on the boat.

6 The Code of State Regulations,
7 11 CSR 45-5.053, Section 3, Subsection J, says that
8 licensees are prohibited from failing to conduct gaming
9 operations in accordance with proper standards and
10 customs, decency, decorum and to permit any type of
11 conduct on the boats which reflect negatively on the
12 repute of the State of Missouri, and also prohibits --
13 Subsection A prohibits any sort of lewd entertainment on
14 the boat.

15 Now, the purpose of this is to preserve the
16 integrity of the gaming operations here in Missouri.
17 Patrons, when they go on boats, shouldn't be exposed to
18 lewd behavior, whether that be from entertainment, other
19 patrons or employees of the casino.

20 At hearing Mr. Meehan testified that he did
21 see the conduct and he admitted that he was present
22 during the conduct.

23 He said he didn't intervene for fear of
24 losing his job as the male patron was known to be a high
25 roller at the casino, and Mr. Meehan's testimony stated

1 that the casino afforded him preferential treatment and
2 that he was told to accommodate this patron's every
3 need.

4 Now, Mr. Meehan had the ultimate duty to obey
5 Missouri law and that meant to either notify the patrons
6 to knock it off or to immediately notify his supervisor
7 or the Commission agent, and he did not do so.

8 I do recognize the difficulty of the
9 situation he was in, the fear of losing his job or
10 obeying the law, but the law takes precedence.

11 Therefore, the hearing officer recommends a
12 four-calendar-day suspension.

13 CHAIRMAN SHURIN: Do any of the Commission
14 members have any questions of Hearing Officer Wolford?

15 COMMISSIONER NEER: Is he here, Mr. Meehan?

16 CHAIRMAN SHURIN: I'm sorry.

17 Is Mr. Meehan here?

18 COMMISSIONER HALE: I have a question,
19 Mr. Chairman.

20 How realistic is the idea that this person
21 would have lost his job had he taken steps to eliminate
22 this problem?

23 MR. WOLFORD: Very realistic. He was
24 terminated after the Commission issued its Notice of
25 Investigation.

1 COMMISSIONER HALE: The employee was
2 terminated?

3 MR. WOLFORD: Correct. And the casino was
4 also fined a substantial amount.

5 His evidence was not rebutted by the
6 Commission at the hearing that this particular patron
7 received special treatment and employees were more or
8 less told to do what he says or you're going to lose the
9 job.

10 COMMISSIONER HALE: Okay. Thank you.

11 CHAIRMAN SHURIN: Any other questions,
12 comments?

13 The Chair will entertain a motion in regard
14 to this matter.

15 COMMISSIONER NEER: Motion to approve the
16 resolution.

17 CHAIRMAN SHURIN: Is there a second?

18 Is there any discussion we want to have on
19 this?

20 COMMISSIONER HALE: What I'll do is just
21 mention, the reason that I asked the question that I
22 asked to begin with, when I read the material that was
23 provided to us, I understood that this employee had
24 represented that he didn't take any action against this
25 particular player because he was in fear of losing his

1 job.

2 That to me is a tremendous amount of pressure
3 on this employee who can either, you know, one, take
4 corrective action or, two, get terminated.

5 I've just got some concerns about
6 disciplining this employee under those circumstances.
7 As it turns out, it's all academic. As I understand it,
8 the employee is now gone?

9 MR. WOLFORD: Correct.

10 And I certainly agree with those concerns.
11 He was caught in a tough spot, lose your job if you do
12 something, lose your job when you're disciplined, but
13 the fact is as a licensee he is required to obey the
14 law.

15 CHAIRMAN SHURIN: I find it interesting that
16 he didn't follow the law and still lost his job.

17 Was there a prior hearing in regard to the
18 casino on this? Is that what I'm understanding?

19 MR. WOLFORD: Yes, there was. The casino was
20 issued I believe a \$10,000 fine.

21 MS. KERR: A \$15,000 fine.

22 MR. WOLFORD: A \$15,000 fine.

23 MS. KERR: Actually Mr. Meehan's license
24 expired back in 2013, so his license is inactive at this
25 point.

1 CHAIRMAN SHURIN: And he has not applied
2 to --

3 MS. KERR: Not according to our systems.

4 CHAIRMAN SHURIN: Does the Commission want
5 to --

6 COMMISSIONER HOWARD: I'm going to second the
7 motion to approve Resolution No. 15-002.

8 CHAIRMAN SHURIN: Angie, please call the
9 roll.

10 MS. FRANKS: Commissioner Neer.

11 COMMISSIONER NEER: Approve.

12 MS. FRANKS: Commissioner Hale.

13 COMMISSIONER HALE: I'll reject.

14 MS. FRANKS: Commissioner Howard.

15 COMMISSIONER HOWARD: Approve.

16 MS. FRANKS: Chairman Shurin.

17 CHAIRMAN SHURIN: Approve.

18 MS. FRANKS: By your vote you've adopted
19 Resolution No. 15-002.

20 MR. WOLFORD: Mr. Chairman, Commissioners,
21 for your consideration Resolution No. 15-003, the matter
22 of Nyra Campbell.

23 Ms. Campbell was a Player's Club supervisor
24 at the Isle of Capri Casino in Cape Girardeau, Missouri.
25 On July 16th, 2013 the Commission boat agent became

1 aware that casino security was removing an intoxicated
2 patron from the gaming floor.

3 The agent investigated and reviewed
4 surveillance and learned that at approximately
5 7:48 p.m. this intoxicated patron had entered the
6 turnstiles onto the gaming floor, and while doing so she
7 passed through three separate security officers, neither
8 of which approached her or questioned her on signs of
9 intoxication.

10 The surveillance showed that as she walked
11 she appeared very unsteady, off balance and swaying.

12 Approximately one minute later she approached
13 Ms. Campbell at the Fan Club Booth. Now, this is right
14 off of the main floor. The Fan Club Booth has basically
15 a desk similar to the one that the Commissioners have,
16 and the players come up to the assistants there. They
17 can ask questions. They can present stuff to their
18 player's card. And Ms. Campbell happened to be the one
19 working at that time.

20 She engaged in a conversation with this
21 intoxicated patron for approximately 50 seconds. At
22 hearing Ms. Campbell testified that she did notice this
23 patron sort of shuffling her feet, sort of unsteady as
24 she approached the counter, and she believed that this
25 patron may have had some limited mobility or should have

1 been using a cane or something in order to help her get
2 around.

3 When they talked, Ms. Campbell testified that
4 the woman had a very soft voice, so she had to turn her
5 ear as she talked, and she did not notice the odor of
6 intoxicants coming from this patron's breath, nor did
7 she notice any other signs of possible intoxication
8 other than the mobility issue.

9 After her brief conversation with
10 Ms. Campbell, this patron went to an electronic gaming
11 device and began to play.

12 At approximately 7:53, which now she's only
13 been in the casino for five minutes, a licensee did make
14 contact with her and determine that she was visibly
15 intoxicated and called security.

16 She was later escorted off of the premises,
17 and the Commission's agent did make contact with her and
18 determine that she was intoxicated.

19 Based on the evidence presented by
20 Ms. Campbell, which was not rebutted, she observed one
21 of the potential five or so signs of intoxication, and
22 based on her testimony the hearing officer does not
23 believe that she had enough to determine that this
24 patron was visibly intoxicated during her brief
25 50-second communication.

1 Therefore, the hearing officer finds that
2 Ms. Campbell has met her burden of clear and convincing
3 evidence and no violation has occurred, and the hearing
4 officer recommends that the Commission vacate and set
5 aside the one-calendar-day suspension issued against
6 Ms. Campbell.

7 CHAIRMAN SHURIN: Is Ms. Campbell here?

8 Any discussion or questions by any Commission
9 members?

10 The Chair will entertain a motion to approve
11 the resolution.

12 COMMISSIONER HALE: I'll so move.

13 COMMISSIONER HOWARD: I'll second the
14 approval of Resolution No. 15-003.

15 CHAIRMAN SHURIN: Angie, please call the roll
16 for vote.

17 MS. FRANKS: Commissioner Neer.

18 COMMISSIONER NEER: Approve.

19 MS. FRANKS: Commissioner Hale.

20 COMMISSIONER HALE: Approve.

21 MS. FRANKS: Commissioner Howard.

22 COMMISSIONER HOWARD: Approve.

23 MS. FRANKS: Chairman Shurin.

24 CHAIRMAN SHURIN: Approve.

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

1 Resolution No. 15-003.

2 MR. WOLFORD: Thank you, Mr. Chairman.

3 CHAIRMAN SHURIN: Thank you.

4 EXECUTIVE DIRECTOR STOTTLEMYRE:

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

6 Consideration of Disciplinary Actions.

7 Mr. Ed Grewach will present.

8 MR. GREWACH: Thank you. Good morning again.

9 Just a brief introduction.

10 Items F through Q on the agenda are

11 preliminary orders of discipline addressed to either

12 casinos or to suppliers.

13 As opposed to the prior three hearings you

14 just took under consideration, the rule requires that a

15 preliminary order against a casino or supplier be

16 initiated by a resolution of the Commission. That's why

17 these are presented to you here this morning.

18 Now, this disciplinary order is similar to a

19 pleading in a civil case. It's an allegation of what we

20 allege that the licensee has done.

21 The licensee then has 30 days after the

22 resolution is passed to request a hearing. If they do

23 request a hearing, then in that case the same procedure

24 would be followed as you just heard on the prior three

25 cases, where the hearing officer would come, present his

1 findings, you'd review the evidence and make the final
2 decision.

3 If they do not ask for a hearing within that
4 30 days, the Order becomes final and the fine is paid.

5 And the fines actually go to the school
6 district -- the county school districts where the
7 property is located.

8 So for each casino that is located -- has a
9 facility in a county, that's where those funds would go.
10 They go to each county treasurer, who has a formula then
11 on how they're divided up.

12 If it's a supplier or if it's a Class A
13 licensee, the parent company, then the fines are payable
14 to the Cole County Treasurer, who then distributes
15 according to his formula to the Cole County schools.

16 Now, because this is in the pleadings stage,
17 as opposed to the prior three cases, the licensees do
18 not have the opportunity to come up and make a statement
19 or address the Commission at this point in time,
20 because, again, the facts haven't been determined, the
21 evidence hasn't been entered and it's just -- if they
22 want a hearing, they go through that process of
23 requesting it in that 30-day time period.

24 CHAIRMAN SHURIN: Thank you.

25 MR. GREWACH: So if there is no further

1 questions on that, I'll proceed with the cases.

2 CHAIRMAN SHURIN: Please do. Thank you.

3 MR. GREWACH: Tab F is a preliminary order of
4 discipline directed to Ameristar Casino in Kansas City.

5 The rule requires the casino to conduct a
6 manual count at the end of certain gaming days. In this
7 occasion there were two separate dates where the casino
8 failed to conduct that manual count at the end of the
9 gaming day.

10 Now, a gaming day is divided into two-hour
11 periods, and that is something that started when the
12 boats actually cruised, when they actually went out and
13 the cruises would be two hours long.

14 Every casino pays an admission tax, a \$2 tax,
15 for every person that enters the casino.

16 So even though none of the boats currently
17 are cruising, they still have their day divided into
18 two-hour periods. So for every time a patron comes onto
19 the casino floor there's a \$2 tax that becomes owing
20 from the casino to the State.

21 If that person stays over -- if that person
22 would stay, for example, for three hours, then the
23 casino would owe \$4. \$2 because it's \$2 per every
24 two-hour increment cruise that they are present on.

25 So again, the rule requires on specific days

1 at the end of the gaming day -- in this case the end of
2 the gaming day was at 6:00 a.m. -- that a manual count
3 be conducted.

4 Now, the purpose of that is to make sure we
5 have an accurate count, because the turnstiles aren't
6 always completely accurate. They're electronic.
7 They're obviously subject to, you know, certain things,
8 people walking in together, people carrying a bag.

9 So the manual count is to true-up the
10 numbers, so that we know at the end of the gaming day
11 exactly how many people we have there at that point in
12 time.

13 There is often a difference between the
14 turnstile readings and the manual count, and they're
15 responsibility for the higher of those two numbers.

16 So that's the significance of us requiring
17 them to conduct that manual count.

18 In this case they failed to conduct the
19 manual count on April the 4th, 2014 and conducted the
20 count an hour and a half late on April the 7th, 2014,
21 and the recommended fine is \$10,000.

22 Sorry. \$5,000.

23 CHAIRMAN SHURIN: So to be clear for the
24 record, the recommended fine is \$5,000. Correct?

25 MR. GREWACH: I apologize. It is \$5,000.

1 Sorry.

2 I'm off to a great start.

3 COMMISSIONER HOWARD: Well, you were doing
4 pretty well, Ed, right up to that last sentence. I was
5 getting ready to commend you. Great job.

6 CHAIRMAN SHURIN: Any questions on this?

7 COMMISSIONER HALE: I have none.

8 COMMISSIONER NEER: Here again, being new at
9 this, if I ask something that has already been asked and
10 is immaterial, that I should have digested by now,
11 please let me know.

12 Was there a reason given? They just failed
13 to do it or the person responsible for that just chose
14 not to do it?

15 MR. GREWACH: They indicated to us they were
16 busy. They self-reported this to us. They told us they
17 did. But they were just busy and just failed at one
18 point to conduct it and the second time got busy and
19 didn't do it on time.

20 Now, not doing it on time doesn't really help
21 at all because we need to true-up the number as of the
22 end of the gaming day. Telling us how many people were
23 there an hour and a half later doesn't really help us
24 reconcile our numbers at all, because obviously that
25 number is most likely different than what it was at the

1 end of the gaming day.

2 COMMISSIONER NEER: Thanks.

3 CHAIRMAN SHURIN: Any further questions?

4 COMMISSIONER HALE: Just one, Mr. Chairman.

5 As I understand it, the revenue payable by
6 this casino is based upon those counts. Is that
7 correct?

8 MR. GREWACH: The admission tax part, yes.

9 COMMISSIONER HALE: So if those counts aren't
10 accurate, the amount of revenue payable, I guess, to the
11 State can't be accurately calculated. Is that correct?

12 MR. GREWACH: That's correct.

13 COMMISSIONER HALE: That's all I have.

14 CHAIRMAN SHURIN: Ed, I don't understand.
15 What's the significance of the one-and-a-half-hour delay
16 if it was during the two-hour cruise?

17 MR. GREWACH: Because we needed to know how
18 many people were there at the end of the gaming day,
19 because then we have that turnstile reading and then we
20 could true-up that 6:00 a.m. reading of the turnstiles
21 to the 6:00 a.m. manual count.

22 A manual count at 7:30 does us no good
23 because we're comparing apples to oranges. We want to
24 know how many people -- the turnstiles electronically --
25 because they also monitor everybody that exits, so

1 they'll know how many came in and how many came out.

2 If you look at the turnstile readings, then
3 in theory they'll tell you, do the math, this is how
4 many X number of people are still left on the floor
5 because of people coming in and people coming out and
6 the difference obviously are the hold-overs or the
7 people that are still there for the next two-hour
8 cruise.

9 But when they do it late, it really
10 doesn't -- we don't get what the rule is aimed to do and
11 that is to reconcile -- or double-check those turnstiles
12 to make sure they're correct.

13 COMMISSIONER HOWARD: The turnstile count
14 that is taken at a particular time?

15 MR. GREWACH: Correct, the turnstile count.

16 COMMISSIONER HOWARD: So the manual count
17 also needs to be at that same time. It does you no good
18 to have an electronic count at a date and a time and
19 then the manual count that is meant to be a double-check
20 of that electronic count not being done simultaneously.

21 MR. GREWACH: Much more succinctly said than
22 my explanation. That's exactly it.

23 COMMISSIONER HOWARD: You were struggling,
24 Ed. You've got a lot of balls in the air today, Ed.
25 I'm being your wingman here.

1 CHAIRMAN SHURIN: And as new commissioners,
2 we are just learning this procedure and appreciate you
3 leading us through this.

4 Okay. Any further questions or comments?

5 COMMISSIONER HALE: I have none.

6 COMMISSIONER NEER: I have none.

7 CHAIRMAN SHURIN: The Chair will entertain a
8 motion to authorize the preliminary order of
9 disciplinary action DC-15-003.

10 COMMISSIONER HOWARD: I'll move for the
11 approval of DC-15-003.

12 COMMISSIONER NEER: I'll second.

13 CHAIRMAN SHURIN: Angie, take a vote.

14 MS. FRANKS: Commissioner Neer.

15 COMMISSIONER NEER: Approve.

16 MS. FRANKS: Commissioner Hale.

17 COMMISSIONER HALE: Approve.

18 MS. FRANKS: Commissioner Howard.

19 COMMISSIONER HOWARD: Approve.

20 MS. FRANKS: Chairman Shurin.

21 CHAIRMAN SHURIN: Approve.

22 MS. FRANKS: By your vote you've adopted
23 DC-15-003.

24 MR. GREWACH: Under Tab G we have a
25 preliminary order of discipline directed to Ameristar

1 Casino Kansas City for failure to maintain the required
2 surveillance coverage of a table game.

3 45-7.040(1)(b) requires a surveillance of all
4 table games sufficient to permit identification of all
5 of the cards and the outcome of every game.

6 On April 28, 2014 the Heartland Poker
7 Tournament was held at the casino. The new tables are
8 added for the purpose of this tournament, and for the
9 new tables there are spots marked off on the floor with
10 tape to show where those tables need to be placed and
11 need to stay so that there is sufficient surveillance
12 coverage to show those.

13 In the course of this one day at the
14 tournament the table, being a rather light, temporary
15 table, was moved off of its taped marked position, and
16 this resulted in a period of about seven and a half
17 hours where there was insufficient surveillance coverage
18 to see all of the players at the table and to see all of
19 the cards at the table, which put them in violation of
20 the rule.

21 In questioning the supervisors and dealers
22 involved in this, none of them during the course of the
23 day ever checked to make sure it was first actually
24 placed where it was supposed to be or moved later on off
25 of its position.

1 And the recommended fine is \$5,000.

2 CHAIRMAN SHURIN: Any questions or comments
3 by any of the commissioners?

4 COMMISSIONER HALE: I have none.

5 COMMISSIONER NEER: Did anyone in the
6 surveillance area inform anyone they could not observe
7 the table as they were supposed to be able to?

8 MR. GREWACH: Actually, no. We found this
9 when our agent went down to inspect the tables and our
10 agent found that the tables were off of their mark, and
11 that's how this came to our attention.

12 COMMISSIONER NEER: Thank you.

13 CHAIRMAN SHURIN: Any further questions?

14 COMMISSIONER HALE: None.

15 CHAIRMAN SHURIN: The Chair will entertain a
16 motion to approve disciplinary action DC-15-004.

17 COMMISSIONER HALE: So move.

18 COMMISSIONER NEER: Second.

19 CHAIRMAN SHURIN: Angie, please call the roll
20 for vote.

21 MS. FRANKS: Commissioner Neer.

22 COMMISSIONER NEER: Approve.

23 MS. FRANKS: Commissioner Hale.

24 COMMISSIONER HALE: Approve.

25 MS. FRANKS: Commissioner Howard.

1 COMMISSIONER HOWARD: Approve.

2 MS. FRANKS: Chairman Shurin.

3 CHAIRMAN SHURIN: Approve.

4 MS. FRANKS: By your vote you've adopted
5 DC-15-004.

6 MR. GREWACH: Under Tab H we have a
7 preliminary order of discipline directed to Ameristar
8 Casino Kansas City.

9 On July 15, 2014 a 19-year-old person entered
10 the casino. He passed two security officers stationed
11 at the turnstile, neither of which asked for his
12 identification.

13 He encountered eight other employees during
14 his hour and a half on the casino floor, none of whom
15 checked the identification before he was actually
16 discovered by a security employee on the floor.

17 During his time on the floor he consumed
18 three beers and gambled.

19 The recommended fine is \$5,000.

20 CHAIRMAN SHURIN: Any questions, comments by
21 any commissioners?

22 COMMISSIONER HALE: Just so that I understand
23 maybe better and not so much this time but in the
24 future.

25 When customers enter the gaming floor, are

1 all customers required to produce an ID or is it just a
2 discretionary call on the part of the security at the
3 entrance?

4 MR. GREWACH: It's discretionary.

5 At the point in time when the Legislature
6 removed the loss limits from the casino, prior to that
7 they could require some sort of player card to get in,
8 which would involve them checking their ID.

9 But part of the -- when the loss limits were
10 removed, there was also a provision in that law
11 prohibiting them from making the presentation of an ID
12 or use of a card a prerequisite of entering onto the
13 casino floor.

14 Now, they still have an obligation not to let
15 minors on the floor. Now, every casino has its own
16 internal guidelines for the security officers. They
17 might say we want you to check an ID of anyone who looks
18 under 30. That's a fairly common one, you know.

19 And I know sometimes the patrons feel it's a
20 little bit of an imposition if you're 21, 22, 23, but
21 theoretically everyone who encounters you on the casino
22 floor should be checking your ID so that things like
23 this don't occur.

24 That's why when we look at a case like
25 this -- there may be some cases with a minor on the

1 floor where we do individual disciplines, but in a case
2 like this where we see this large of a number, ten
3 people, who saw this 19-year-old male and did not check
4 his ID, we view that as maybe more of a lack of training
5 or a systemic problem, and it comes to you as a casino
6 fine.

7 COMMISSIONER HALE: So a security person on
8 the gaming floor could ask any customer to produce an ID
9 if they have a concern that this person may not be old
10 enough to be there?

11 MR. GREWACH: In fact, in this case that's
12 how this person was caught.

13 COMMISSIONER HALE: Thank you.

14 COMMISSIONER HOWARD: Not only could but
15 should.

16 MR. GREWACH: Right.

17 COMMISSIONER HOWARD: And when we have the
18 licensing presentations, the casinos make quite an
19 effort to present to us, I think without exception, they
20 all indicate that it is training that their employees --
21 their employees will stop anyone they see on the floor
22 about a concern, and that their practice is, I think
23 with all of them, anyone who is 30 years of age --
24 appears to be 30 years of age or younger will be
25 required to show identification.

1 COMMISSIONER HALE: Okay.

2 CHAIRMAN SHURIN: There was alcohol served to
3 this 19-year-old. Is that right?

4 MR. GREWACH: That's correct, yes.

5 CHAIRMAN SHURIN: And I guess the issue I
6 have is how much does that increase the penalty? What's
7 your feeling about the underage gambling, as well as
8 alcohol?

9 MR. GREWACH: That's a factor. DRB looks at
10 many factors. They look at the number of employees they
11 encountered. That's probably one of the largest ones we
12 look at. We look at time on the floor. We look at, you
13 know, how young the person was.

14 And, you know, in this case it wasn't even a
15 fake ID. The person was from Oklahoma and apparently
16 they have a different age there. That was his excuse,
17 although I don't really believe that.

18 But on his driver's license there's a big,
19 red square that says under 21 until October 4th, 2015.
20 So if anyone had just -- it wasn't a matter where they
21 checked it and failed the math and didn't do it
22 correctly. It was just they didn't check. And had they
23 checked it would have been perfectly obvious that he
24 wasn't old enough to be in the casino.

25 But being 19, you know, all those ten people

1 he encountered, they all should have asked for his ID.

2 CHAIRMAN SHURIN: Thank you.

3 Anything further?

4 COMMISSIONER HALE: No.

5 CHAIRMAN SHURIN: The Chair will entertain a
6 motion to approve DC-15-005.

7 COMMISSIONER HOWARD: I'll move for approval
8 of DC-15-005.

9 COMMISSIONER HALE: I'll second.

10 CHAIRMAN SHURIN: Angie, please call the roll
11 for a vote.

12 MS. FRANKS: Commissioner Neer.

13 COMMISSIONER NEER: Approve.

14 MS. FRANKS: Commissioner Hale.

15 COMMISSIONER HALE: Approve.

16 MS. FRANKS: Commissioner Howard.

17 COMMISSIONER HOWARD: Approve.

18 MS. FRANKS: Chairman Shurin.

19 CHAIRMAN SHURIN: Approve.

20 MS. FRANKS: By your vote you've adopted
21 DC-15-005.

22 MR. GREWACH: Under Tab I we have a
23 preliminary order of discipline directed to Ameristar
24 Casino St. Charles.

25 State statute, Section 313.817, states that

1 gambling is only allowed at times authorized by the
2 Commission.

3 On May the 20th, 2014 the casino closed for a
4 slot accounting system upgrade. They estimated they
5 would be closed for approximately 18 hours.

6 On the morning of the 20th a vendor unlocked
7 a door to enter the casino to do work and left that door
8 unlocked. The casino failed, in spite of the fact that
9 vendors were coming in and out that door, to post any
10 security officer at that location.

11 As a result a patron then entered that
12 unlocked door and played two slot machines before he was
13 discovered by some security personnel and escorted off
14 the floor.

15 The recommended fine is \$2,500.

16 CHAIRMAN SHURIN: Any questions or comments
17 by the commissioners?

18 Hearing none, the Chair will entertain a
19 motion to approve DC-15-006.

20 COMMISSIONER HALE: So moved.

21 COMMISSIONER NEER: Second.

22 CHAIRMAN SHURIN: Angie, call the roll for
23 vote.

24 MS. FRANKS: Commissioner Neer.

25 COMMISSIONER NEER: Approve.

1 MS. FRANKS: Commissioner Hale.

2 COMMISSIONER HALE: Approve.

3 MS. FRANKS: Commissioner Howard.

4 COMMISSIONER HOWARD: Approve.

5 MS. FRANKS: Chairman Shurin.

6 CHAIRMAN SHURIN: Approve.

7 MS. FRANKS: By your vote you've adopted
8 15-006.

9 MR. GREWACH: Tab J is a preliminary order of
10 discipline directed to Aristocrat Technologies.

11 Slot machines, or you'll hear us use the term
12 EGD, electronic gaming devices, basically operate like
13 computers. They have software installed in them that is
14 a random-number generator to determine whether or not
15 people win prizes as the game is played.

16 So we have a rule of 45-5.237, paragraph 2,
17 that prohibits a supplier from shipping unapproved
18 software which contains critical program storage media
19 into the state of Missouri.

20 This is a case where the software that was
21 shipped was software to be used in an electronic gaming
22 device. On May the 6th, 2014 Aristocrat shipped
23 unapproved software to Ameristar Casino St. Charles.

24 The recommended fine in this case is \$7,500.

25 Now, the consideration for the amount of the

1 fine recommended is that this is the sixth violation
2 since June of 2012 by this company for shipping
3 unapproved software into the state.

4 CHAIRMAN SHURIN: Any questions by other
5 commissioners?

6 This is the sixth violation by this supplier?

7 MR. GREWACH: Since 2012.

8 COMMISSIONER HOWARD: Are we just
9 photocopying these and changing the dates and numbers?

10 MR. GREWACH: Well, the fines have been
11 increasing over time as this process has continued.

12 COMMISSIONER HOWARD: I'm sorry. I'm showing
13 my age. We don't have to photocopy. We don't have to
14 photocopy anymore.

15 COMMISSIONER HALE: At some point will this
16 supplier come up for renewal of, I guess, a license to
17 continue to provide service in Missouri?

18 MR. GREWACH: Suppliers come up for renewal
19 every two years.

20 COMMISSIONER HALE: In two years.

21 So in the not too distant future these people
22 will be up for renewal again?

23 MR. GREWACH: Correct.

24 COMMISSIONER HALE: Would I correct in
25 assuming that these multiple violations would be

1 something that might be considered seriously in
2 connection with the renewal of that application?

3 MR. GREWACH: Well, that would be a decision
4 for the Commission to decide at that point in time.

5 COMMISSIONER HALE: Sure.

6 MR. GREWACH: In general we look at every
7 case, you know, on its own merit as a violation, and the
8 fine is a penalty to try to compel compliance.

9 The renewal, we generally as a staff look at
10 it more as a suitability issue. Now, certainly
11 noncompliance of regulations could bleed over into the
12 suitability issues, you know, in some circumstances.
13 But generally the staff looks at those as two
14 different --

15 COMMISSIONER HALE: Two different items.

16 COMMISSIONER HOWARD: Of course, we do
17 appreciate that vendors are not manufacturing these
18 products just for us.

19 MR. GREWACH: I will say in followup to
20 Commissioner Howard's statement, what you'll hear from
21 the suppliers is we ship X number of software and our
22 error rate is, you know, this, but we don't accept that
23 as a defense.

24 It's not that they shipped six pieces of
25 software into Missouri and they were all wrong. It was

1 a large number.

2 And as Commissioner Howard also said,
3 different software is approved for different
4 jurisdictions. So we have our own set of rules and
5 internal controls.

6 So you might have a piece of software that's
7 perfectly acceptable in Colorado or Nevada and not in
8 Missouri.

9 So this company may have this, but it's
10 incumbent upon this company to have some kind of matrix
11 or system in place where they get an order from Missouri
12 and they can cross-check that against the list and say,
13 no, I cannot ship this software into Missouri.

14 It's important to us because the software in
15 the machine really is what controls the integrity of the
16 machine and it makes sure that it complies with all of
17 our regulations.

18 COMMISSIONER HOWARD: I'm assuming we're not
19 just being difficult in that we cannot get the machines
20 here in Missouri with Colorado software in them?

21 MR. GREWACH: We have a list of approved --

22 COMMISSIONER HOWARD: Approved software.

23 MR. GREWACH: -- software.

24 And it's a list that is easily accessible by
25 the supplier. I mean, it's a failure, you know, on

1 someone's part there to have done the adequate checks.

2 But that information is available, the list
3 of all of the approved software by serial number of the
4 product, and it can be accessed.

5 COMMISSIONER HOWARD: And that's the software
6 that works with our auditing processes and all of those
7 things?

8 MR. GREWACH: Todd Nelson might be able to
9 speak more clearly to that. He's our electronic gaming
10 manager.

11 MR. NELSON: Good morning. How are you?

12 CHAIRMAN/COMMISSIONERS: Good morning.

13 MR. NELSON: For the software that is
14 installed in the state of Missouri, the most simplistic
15 thing that I can bring up was let's use Nevada.

16 Nevada gaming -- or the Nevada standards
17 require a 75 percent payback. In the state of Missouri
18 they require 80 percent as a minimum.

19 So when software is submitted to our
20 independent test labs, it is tested to make sure it
21 meets our requirements. It may not meet similar
22 standards across different jurisdictions, such as
23 Kansas. Kansas could be an 87 percent payback, which
24 they would have different software, a different approach
25 to correct that.

1 COMMISSIONER HOWARD: That makes perfect
2 sense. Thank you for that simple explanation.

3 MR. NELSON: No problem.

4 CHAIRMAN SHURIN: Quite honestly I'm somewhat
5 troubled by the number of violations, but is that -- are
6 there other suppliers of software that have this many?

7 MR. GREWACH: I can't give you a numerical
8 count, but it's not uncommon for suppliers to have these
9 types of disciplines, comparing them in numbers. But
10 again, it's a fairly common problem and violation that
11 we deal with here.

12 CHAIRMAN SHURIN: Any further questions or
13 comments?

14 COMMISSIONER HALE: I have nothing further.

15 COMMISSIONER NEER: No.

16 CHAIRMAN SHURIN: Chair will entertain a
17 motion to approve DC-15-007.

18 COMMISSIONER HOWARD: I'll move for approval
19 of DC-15-007.

20 COMMISSIONER HALE: I'll second.

21 CHAIRMAN SHURIN: Angie, please call the roll
22 for vote.

23 MS. FRANKS: Commissioner Neer.

24 COMMISSIONER NEER: Approve.

25 MS. FRANKS: Commissioner Hale.

1 COMMISSIONER HALE: Approve.

2 MS. FRANKS: Commissioner Howard.

3 COMMISSIONER HOWARD: Approve.

4 MS. FRANKS: Chairman Shurin.

5 CHAIRMAN SHURIN: Approve.

6 MS. FRANKS: By your vote you've adopted
7 DC-15-007.

8 MR. GREWACH: Under Tab K we have a
9 preliminary order of discipline directed to Lumiere
10 Place Casino for repeat audit findings.

11 The Commission on a regular basis conducts
12 compliance audits for certain time periods to check and
13 ensure that the casinos are complying with all of our
14 rules and internal controls.

15 This particular audit was for a time period
16 beginning on July 1st, 2011 through April 30th, 2013.
17 A report was issued finding some violations and
18 deficiencies on August 28, 2013.

19 Then on February the 13th, 2014 a followup
20 was conducted to see if those violations and
21 discrepancies had been corrected. We found in that
22 followup that three of those items had not been
23 corrected.

24 It was observed that four out of the ten
25 poker dealers that were observed failed to clear their

1 hands when entering or leaving a game, and that was a
2 violation in the prior audit.

3 The rule requires the dealers when they enter
4 onto a table to clear their hands, which is a process
5 where they stick their hands out with their fingers
6 spread out and they then rotate them over so that
7 surveillance can see that there is nothing in their
8 hands and that's required both when they're coming to
9 and leaving the tables.

10 The second item was our Minimum Internal
11 Controls provide that only ticketing employees are
12 authorized to activate wagering or promotional accounts.

13 The original report found several employees
14 that were not ticketing employees that had that
15 authority, and the followup found that two, both the
16 compliance officer and compliance representative, were
17 not ticketing employees that had that authority.

18 That Minimum Internal Control is in place as
19 a segregation of duties issue, not to give someone the
20 ability, you know, to create a card and to adjust the
21 points on the card. It's an issue that is to protect
22 that segregation of duties problem occurring.

23 The third repeat violation, in the original
24 report it identified nine employees who still had access
25 to sensitive keys.

1 Sensitive keys are keys to areas, you know,
2 in let's say the count room or keys to access funds or
3 chips or other information that is deemed sensitive by
4 the Gaming Commission, that there were nine people who
5 still had access to those keys who were not authorized
6 to have access to them.

7 In the followup one of those nine still had
8 access to a key that the employee was not authorized to
9 have access to.

10 The recommended fine is \$10,000.

11 CHAIRMAN SHURIN: Any questions by Commission
12 members?

13 Hearing none the Chair will entertain a
14 motion to approve DC-15-008.

15 COMMISSIONER HALE: So moved.

16 COMMISSIONER HOWARD: I'll second.

17 CHAIRMAN SHURIN: Angie, please call the roll
18 for vote.

19 MS. FRANKS: Commissioner Neer.

20 COMMISSIONER NEER: Approve.

21 MS. FRANKS: Commissioner Hale.

22 COMMISSIONER HALE: Approve.

23 MS. FRANKS: Commissioner Howard.

24 COMMISSIONER HOWARD: Approve.

25 MS. FRANKS: Chairman Shurin.

1 CHAIRMAN SHURIN: Approved.

2 MS. FRANKS: By your vote you've adopted
3 DC-15-008.

4 MR. GREWACH: Under Tab L we have a
5 preliminary order of discipline directed to Lumiere
6 Place Casino.

7 This was in connection with a problem that
8 occurred with their MyRewards promotion system.

9 Our Rule 45-5.181 provides cash promotions,
10 that they cannot be conducted in a manner that reflects
11 negatively on the licensee and further requires that all
12 of the prizes be awarded according to the rules of the
13 governing event or promotion.

14 We received a patron complaint on June 22nd,
15 2014 that he had a balance of \$4.70 on his card. He
16 reinserted it to check the balance and the balance
17 showed \$2.70.

18 We questioned the patron, and he indicated
19 that it occurred to him on two prior occasions, on
20 May 17th and May 18th.

21 We then further investigated the problem and
22 found that Tropicana had purchased the Lumiere Place
23 Casino earlier from the Pinnacle Corporation, and the
24 indication was that when the split came from the
25 Pinnacle promotion system to their own, some certain --

1 there were two basic problems.

2 One problem was with the system itself that
3 caused these points to prematurely expire. That was
4 what was happening and that's why he lost his money,
5 that the points were prematurely expiring.

6 And the second was an error on the part of
7 some of their employees in making certain settings in
8 the system that caused these points to prematurely
9 expire.

10 We found it affected a total of 239 patrons,
11 for a total amount of money of \$2,369.39, and the
12 recommended fine is \$5,000.

13 I might point out that they did identify
14 those patrons and add those points and dollars back onto
15 their cards also.

16 CHAIRMAN SHURIN: Any questions or comments?

17 COMMISSIONER NEER: Yeah, just one question.

18 You said a patron notified the Missouri
19 Gaming Commission. Did that patron notify the casino or
20 try to make any attempts to bring the issue up with
21 them, or do we know?

22 MR. GREWACH: I believe he did. I believe he
23 did that simultaneously, telling the casino he wasn't
24 satisfied with the response, asked for the gaming agent,
25 and that's how we got involved.

1 COMMISSIONER NEER: Thank you.

2 CHAIRMAN SHURIN: Any further questions?

3 COMMISSIONER HALE: I have nothing.

4 CHAIRMAN SHURIN: Chair will entertain a
5 motion to approve DC-15-009.

6 COMMISSIONER HOWARD: I'll move for the
7 approval of DC-15-009.

8 COMMISSIONER HALE: Second.

9 CHAIRMAN SHURIN: Angie, please call the roll
10 for a vote.

11 MS. FRANKS: Commissioner Neer.

12 COMMISSIONER NEER: Approve.

13 MS. FRANKS: Commissioner Hale.

14 COMMISSIONER HALE: Approve.

15 MS. FRANKS: Commissioner Howard.

16 COMMISSIONER HOWARD: Approve.

17 MS. FRANKS: Chairman Shurin.

18 CHAIRMAN SHURIN: Approve.

19 MS. FRANKS: By your vote you've adopted
20 DC-15-009.

21 MR. GREWACH: Under Tab M we have a
22 preliminary order of discipline directed to
23 Harrah's North Kansas City.

24 Two security officers allowed a minor on
25 board with a fake ID. The person gambled but did not

1 drink. She was on the casino floor from two separate
2 days, June 10th and June the 11th. She was on for a
3 total of four and a half hours over the course of those
4 two days.

5 During that time on the boat she encountered
6 15 casino employees. Five of them checked the ID and
7 did not notice the discrepancy. Ten failed to check the
8 ID at all.

9 And the person was eventually discovered by a
10 security officer who thought the ID was fake, brought it
11 to our attention, and the person was then arrested and
12 escorted off the floor.

13 The recommended fine in this case is \$7,500.

14 CHAIRMAN SHURIN: Any questions by any
15 Commission members?

16 Chair will entertain a motion to approve
17 DC-15-010.

18 COMMISSIONER HALE: So moved.

19 COMMISSIONER NEER: Second.

20 CHAIRMAN SHURIN: Angie, please call the roll
21 for vote.

22 MS. FRANKS: Commissioner Neer.

23 COMMISSIONER NEER: Approve.

24 MS. FRANKS: Commissioner Hale.

25 COMMISSIONER HALE: Approve.

1 MS. FRANKS: Commissioner Howard.

2 COMMISSIONER HOWARD: Approve.

3 MS. FRANKS: Chairman Shurin.

4 CHAIRMAN SHURIN: Approve.

5 MS. FRANKS: By your vote you've adopted
6 DC-15-010.

7 MR. GREWACH: Under Tab N we have a
8 preliminary order of discipline directed to Harrah's
9 North Kansas City Casino.

10 The rules require if alternative dealing
11 procedures are being utilized in a mini baccarat game,
12 that the signage be posted to alert patrons and players
13 that alternate dealing procedures are being used.

14 This is a case where they conducted the game
15 using those alternative dealing procedures but did not
16 post the signage.

17 The difference between the two, one dealing
18 procedure, the players are not allowed to handle the
19 cards, and in another they are allowed to actually
20 handle the cards and turn the cards over. So it makes a
21 difference between those two.

22 We were actually notified by surveillance in
23 this case that the alternative dealing procedures were
24 being used and the proper signage wasn't in place.

25 At 8:15 that morning Surveillance notified

1 the MGC agent that that was occurring. At 8:19 the
2 agent called the table game supervisor and instructed
3 her to immediately either put the signage up or
4 immediately stop the game until it is up.

5 At 8:23 the agent arrived at the table game
6 and it was still being conducted without the signage.
7 As required, the agent then stopped the game.

8 The recommended fine in this case is \$2,500.

9 And I can tell you, as the staff looked at
10 this, it was more than a matter of just not having the
11 proper signage up. It was being instructed by the agent
12 to correct it immediately and then no action being taken
13 until the agent physically arrived at the location that
14 steered us toward treating this as a fine, as a monetary
15 discipline case.

16 CHAIRMAN SHURIN: Any questions by any of the
17 Commissioners?

18 COMMISSIONER HOWARD: Do you have any
19 information, Ed, as to why the dealer refused to put up
20 the sign?

21 MR. GREWACH: I don't believe I have that,
22 but I do know that the game supervisor, the reason that
23 she gave for not following the directive of the agent
24 was that she said she had to run that past her
25 supervisor.

1 And our response to her was, no. You have to
2 comply with an order of the MGC agent, and you need to
3 comply with the rule, both.

4 So she became aware when the phone call came
5 down to her at 8:19 that the sign wasn't up. Now, it
6 may have been inadvertent prior to that, but she knew
7 from 8:19 to 8:23 that the game was being conducted
8 without the proper signage, and in addition, she wasn't
9 following the directive that the agent had given her.

10 CHAIRMAN SHURIN: Any further questions or
11 comments?

12 The Chair will entertain a motion to approve
13 DC-15-011.

14 COMMISSIONER HOWARD: I'll move for the
15 approval of DC-15-011.

16 COMMISSIONER HALE: I'll second.

17 CHAIRMAN SHURIN: Angie, please call the
18 roll.

19 MS. FRANKS: Commissioner Neer.

20 COMMISSIONER NEER: Approve.

21 MS. FRANKS: Commissioner Hale.

22 COMMISSIONER HALE: Approve.

23 MS. FRANKS: Commissioner Howard.

24 CHAIRMAN SHURIN: Approve.

25 MS. FRANKS: Chairman Shurin.

1 CHAIRMAN SHURIN: Approve.

2 MS. FRANKS: By your vote you've adopted
3 DC-15-011.

4 MR. GREWACH: Under Tab O we have a
5 preliminary order of discipline directed to Isle of
6 Capri-Caruthersville.

7 This again is a repeat audit finding from a
8 compliance audit, a compliance audit for the period of
9 time beginning November 1st, 2010 through
10 June the 3rd, 2012.

11 Deficiencies were found in the original
12 audit. A followup was conducted on May the 14th, 2013
13 and found three findings from the original audit that
14 had not been corrected.

15 The first was that two patrons with
16 outstanding balances or bad checks were not listed on
17 the return check log, and that is a requirement of
18 Minimum Internal Control Standard H12.01.

19 The second repeat violation was that
20 redemption kiosks were not being reconciled every three
21 days as required by Minimum Internal Control Standard
22 H-7.02.

23 And the third was that two employees who were
24 not supervisors had the ability to void point
25 redemptions as required by Minimum Internal Control

1 H-13.05.

2 The recommended fine is \$10,000.

3 CHAIRMAN SHURIN: Any questions by the
4 Commissioners?

5 There being none I will entertain a motion to
6 approve DC-15-012.

7 COMMISSIONER NEER: Motion to approve
8 DC-15-012.

9 COMMISSIONER HOWARD: Seconded.

10 CHAIRMAN SHURIN: Angie, please call the roll
11 for a vote.

12 MS. FRANKS: Commissioner Neer.

13 COMMISSIONER NEER: Approve.

14 MS. FRANKS: Commissioner Hale.

15 COMMISSIONER HALE: Approve.

16 MS. FRANKS: Commissioner Howard.

17 COMMISSIONER HOWARD: Approve.

18 MS. FRANKS: Chairman Shurin.

19 CHAIRMAN SHURIN: Approve.

20 MS. FRANKS: By your vote you've adopted
21 DC-15-012.

22 MR. GREWACH: Under Tab P we have a
23 preliminary order of discipline directed to the Argosy
24 Casino. This is once again repeat audit findings.

25 A compliance audit was conducted for a period

1 covering November 1st, 2011 through May 31st, 2013.

2 Again, deficiencies were found and a followup was
3 conducted during the month of January 2014.

4 There were three original violations that had
5 not been corrected. The first was that the inspection
6 of the back of cards was not being observed by a table
7 games supervisor as required by Rule 11 CSR 45-5.184(7).

8 Now, when the backs of the cards are
9 inspected, the dealer is required to do the inspection
10 and the supervisor observed that, and that gives us that
11 check and balance to know the dealer has done it. He's
12 done it thoroughly, and we have a supervisor there who
13 can confirm that, in fact, it has been done and has been
14 done according to the proper procedures.

15 The second repeat violation was for dealers
16 failing to clear their hands entering, leaving the game
17 or moving them to and from their bodies as is required
18 by Minimum Internal Control Standard D-18.01.

19 And the third repeat finding was that three
20 shift managers had the ability to both issue player
21 cards and add points to patron accounts, and that
22 failure to have the proper segregation of duties and
23 giving one person the ability to do both those things
24 violates Minimum Internal Control Standard I-13.03.

25 The recommended fine in that matter is

1 \$10,000.

2 CHAIRMAN SHURIN: Any questions or comments
3 by the Commission?

4 Is there a motion to approve DC-15-013?

5 COMMISSIONER HALE: So moved.

6 COMMISSIONER HOWARD: I'll second that
7 motion.

8 CHAIRMAN SHURIN: Angie, please call the roll
9 for a vote.

10 MS. FRANKS: Commissioner Neer.

11 COMMISSIONER NEER: Approve.

12 MS. FRANKS: Commissioner Hale.

13 COMMISSIONER HALE: Approve.

14 MS. FRANKS: Commissioner Howard.

15 COMMISSIONER HOWARD: Approve.

16 MS. FRANKS: Chairman Shurin.

17 CHAIRMAN SHURIN: Approve.

18 MS. FRANKS: By your vote you've adopted
19 DC-15-013.

20 MR. GREWACH: Tab Q is a preliminary order of
21 discipline directed to the Argosy Casino. This is
22 another promotional problem with a program they call the
23 Rapid Cash Jackpot.

24 That program was designed so that when
25 certain thresholds were met for play on an individual

1 electronic gaming device, that it would randomly award
2 patrons a certain amount of free slot play.

3 On April 22nd, 2014 the casino performed a
4 system upgrade. After that some problems were beginning
5 to be experienced in this promotion, and those problems
6 continued from April 24th through May the 2nd.

7 There were certain days where the promotion
8 never hit at all even though the thresholds were met.
9 It just never did trigger any award of free slot play.
10 There were some awards that were made outside of the
11 time period in which they should have been awarded.

12 The problems on our investigation arose in a
13 combination of the server error, computer error, and
14 operator error in setting the time parameters
15 incorrectly on the promotion itself.

16 The recommended fine in this matter is
17 \$2,500.

18 CHAIRMAN SHURIN: Any questions or comments
19 by the Commission?

20 Hearing none I'll ask for a motion to approve
21 DC-15-014.

22 COMMISSIONER HALE: So moved.

23 COMMISSIONER HOWARD: I'll second that
24 motion.

25 CHAIRMAN SHURIN: Angie, please call the roll

1 for a vote.

2 MS. FRANKS: Commissioner Neer.

3 COMMISSIONER NEER: Approve.

4 MS. FRANKS: Commissioner Hale.

5 COMMISSIONER HALE: Approve.

6 MS. FRANKS: Commissioner Howard.

7 COMMISSIONER HOWARD: Approve.

8 MS. FRANKS: Chairman Shurin.

9 CHAIRMAN SHURIN: Approve.

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

11 DC-15-014.

12 MR. GREWACH: Thank you.

13 CHAIRMAN SHURIN: Is that it for you?

14 MR. GREWACH: I'll be back.

15 CHAIRMAN SHURIN: That's good.

16 Thank you for leading us through all that,
17 Ed. Not just for going through each of these in the
18 detail that you've gone through, which I assume is
19 fairly normal, but also for explaining the process and
20 procedures to us. You probably will have to do that
21 again.

22 MR. GREWACH: I'd be happy to, Chairman.

23 CHAIRMAN SHURIN: Thank you.

24 EXECUTIVE DIRECTOR STOTTLEMYRE:

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

1 Consideration of Relicensure of Certain Suppliers, and
2 Sergeant Steve Gisselbeck will present.

3 CORPORAL GISSELBECK: Good morning, Chairman,
4 Commissioners. My name is Steve Gisselbeck. I'm a
5 Corporal with the Missouri State Highway Patrol Gaming
6 Division.

7 On September 30th, 2014 --

8 EXECUTIVE DIRECTOR STOTTLEMYRE: I just
9 promoted you and I don't have the authority to.

10 CORPORAL GISSELBECK: I was going with it,
11 sir.

12 EXECUTIVE DIRECTOR STOTTLEMYRE: Just send me
13 the money.

14 COMMISSIONER HOWARD: I was getting ready to
15 congratulate you.

16 CORPORAL GISSELBECK: I was getting ready to
17 start lining some stuff up here.

18 On September 30th, 2014 Konami Gaming,
19 Incorporated, hereinafter referred to as KGI, applied to
20 renew their supplier's license with the Missouri Gaming
21 Commission.

22 KGI is headquartered in Las Vegas, Nevada, is
23 a wholly-owned subsidiary of the publicly-traded Konami
24 Corporation of Tokyo, Japan. KGI is a legally
25 established business registered in the state of Nevada.

1 KGI provides a unique variety of electronic
2 gaming devices, and more specifically slot machines,
3 slot game software and casino management systems to
4 casinos.

5 KGI operates throughout North America and a
6 substantial number of Indian tribes located in
7 North America.

8 Missouri State Highway Patrol investigators,
9 along with Gaming Commission financial investigators,
10 conducted a background investigation on KGI and all
11 associated key persons of the company.

12 The investigation included, but was not
13 limited to, criminal, financial and general character
14 inquiries of all key persons, as well as a comprehensive
15 financial analysis of the company.

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

21 I would be happy to consider any questions
22 you may have at this time. Thank you.

23 EXECUTIVE DIRECTOR STOTTLEMYRE:
24 Mr. Chairman, Staff does recommend approval of
25 Resolution No. 15-004.

1 I'm sorry. There was questions.

2 COMMISSIONER HOWARD: Who got to travel to
3 all of these jurisdictions in association with the
4 preparation of this report?

5 CORPORAL GISSELBECK: Previously they
6 traveled to Japan. I didn't get to go to Japan and I'm
7 still a corporal.

8 EXECUTIVE DIRECTOR STOTTLEMYRE: I'll see
9 what I can do, Steve.

10 CORPORAL GISSELBECK: Thank you, sir.

11 CHAIRMAN SHURIN: Anything further?

12 Any further questions or comments?

13 COMMISSIONER HOWARD: I'm just giving him a
14 little hard time since he's already having so much fun
15 this morning.

16 CORPORAL GISSELBECK: Yes, ma'am.

17 CHAIRMAN SHURIN: He moved up and then back.

18 Okay. The Staff recommends approval. Am I
19 correct?

20 EXECUTIVE DIRECTOR STOTTLEMYRE: That's
21 correct.

22 CHAIRMAN SHURIN: Is there a motion to
23 approve the license renewal pursuant to
24 Resolution 15-004?

25 COMMISSIONER HOWARD: I'll move for the

1 approval of Resolution No. 15-004.

2 COMMISSIONER HALE: I'll second.

3 CHAIRMAN SHURIN: All right. Angie, please
4 call the roll.

5 MS. FRANKS: Commissioner Neer.

6 COMMISSIONER NEER: Approve.

7 MS. FRANKS: Commissioner Hale.

8 COMMISSIONER HALE: Approve.

9 MS. FRANKS: Commissioner Howard.

10 COMMISSIONER HOWARD: Approve.

11 MS. FRANKS: Chairman Shurin.

12 CHAIRMAN SHURIN: Approve.

13 MS. FRANKS: By your vote you've adopted
14 Resolution No. 15-004.

15 EXECUTIVE DIRECTOR STOTTLEMYRE: We have
16 another Consideration of Licensure of Certain Suppliers.
17 It does require a little explanation, and Mr. Grewach is
18 going to try to work us through that.

19 MR. GREWACH: Thank you.

20 Tab S is an application for supplier's
21 license by Landry Holdings, LLC doing business as Casino
22 Tech.

23 The staff at this point is going to ask to
24 withdraw consideration at this time for this application
25 and ask that no action be taken on that, and I want to

1 give you some background of how we got to that point.

2 The company applied for a supplier's license
3 on April 23rd, 2014. They were given a temporary
4 supplier's license pending this investigation.

5 Now, the investigation is complete and found
6 no discrepancies and concerns.

7 They paid the application fee, which is
8 \$10,000 for the company and a thousand each for the two
9 of its owners, the two key persons. So they paid that
10 \$12,000.

11 However, the statute, the 313.807, and our
12 Regulation 4.420, require that the applicant pay any
13 cost that is incurred by the Commission over and above
14 that initial application fee.

15 So the application fee, in other words, is
16 the deposit, is the minimum, and then whatever the time
17 spent and cost incurred in the course of the
18 investigation, they're invoiced for what is over and
19 above that.

20 They were sent an invoice of \$15,729 and to
21 date have not paid that, although we have been in
22 conversation with them about that.

23 It's staff's position in our request that,
24 again, the Commission take no action, and it's our
25 intention not to put it back on to any future agenda

1 until that invoice is paid. Once that is paid we'll put
2 it back on a future agenda for approval.

3 For now they still have their temporary. So
4 we're not taking action that will put them out of
5 business but we don't want to give them the permanent
6 license with an invoice pending.

7 CHAIRMAN SHURIN: So do I understand that we
8 don't need a motion; it's simply withdrawn?

9 MR. GREWACH: Correct. No action is
10 requested by the Commission.

11 COMMISSIONER NEER: When does their temporary
12 expire?

13 MR. GREWACH: Their temporary expires in
14 April of next year. The temporaries are issued for a
15 two-year time period.

16 COMMISSIONER NEER: Thank you.

17 CHAIRMAN SHURIN: Okay. Thank you.

18 EXECUTIVE DIRECTOR STOTTLEMYRE:

19 Mr. Chairman, the next item on the agenda is
20 Consideration of Licensure of Certain Level I and Key
21 Applicants.

22 Sergeant Gary Davidson will present.

23 That is right, isn't it, Sergeant?

24 You wanted me to say lieutenant?

25 SERGEANT DAVIDSON: I know that's not going

1 to happen.

2 Good morning, Mr. Chairman, Commissioners,
3 and welcome. My name is Gary Davidson, a sergeant with
4 the Missouri State Highway Patrol, and here to discuss
5 the relicensing of keys and Level I's.

6 The Missouri State Highway Patrol
7 investigators, along with Gaming Commission financial
8 investigators, conducted comprehensive background
9 investigations on multiple key and Level I applicants.

10 The investigation included, but was not
11 limited to, criminal, financial and general character
12 inquiries which were made in the jurisdictions where the
13 applicants lived, worked and frequented.

14 The following individuals are being presented
15 for your consideration: Howard W. Shaw, III, Ameristar
16 Casino St. Charles, Vice-President and General Manager;
17 Robert J. Parente, Bally Technologies, Incorporated,
18 Senior Vice-President of Sales and Marketing; Errol V.
19 Rice, BMM North America, Incorporated, Group Manager;
20 Wendy E. Anderson, BMM North America, Incorporated, who
21 is Chief of Staff; David Lee Hart, Jr., with Isle of
22 Capri-Cape Girardeau, who is Table Games Manager;
23 Anthony A. Rohrer, Isle of Capri Casino, Director of
24 Operations; Tsuyoshi Takagaki, JCM American Corporation,
25 who is the Director; Maritza -- if I may ask, are we

1 going to continue then with the two keys for Casino
2 Tech?

3 MR. GREWACH: We should remove those two from
4 the list. Sorry.

5 SERGEANT DAVIDSON: That's fine. So those
6 are the only ones. The last two, Maritza Del Carmen
7 Landry and Richard James Landry, who are keys with
8 Casino Tech, which was withdrawn just before, I don't
9 know what needs to be done, but they would not be voted
10 upon.

11 EXECUTIVE DIRECTOR STOTTLEMYRE: They won't
12 be part of this. We'll correct that. Thank you.

13 SERGEANT DAVIDSON: The results of these
14 investigations were provided to the Gaming Commission
15 staff for their review, and you have all related summary
16 reports before you.

17 If you have any questions, I'd be happy to
18 entertain them at this time.

19 CHAIRMAN SHURIN: Any questions by the
20 Commissioners?

21 Is this appropriate to approve this
22 resolution?

23 EXECUTIVE DIRECTOR STOTTLEMYRE: We'll
24 approve the Resolution 15-006 without Maritza Del Carmen
25 Landry and Richard James Landry being included in this.

1 CHAIRMAN SHURIN: Is there a motion for such?

2 COMMISSIONER HALE: So moved.

3 COMMISSIONER HOWARD: I'll second.

4 CHAIRMAN SHURIN: Angie, please call the
5 roll.

6 MS. FRANKS: Commissioner Neer.

7 COMMISSIONER NEER: Approve.

8 MS. FRANKS: Commissioner Hale.

9 COMMISSIONER HALE: Approve.

10 MS. FRANKS: Commissioner Howard.

11 COMMISSIONER HOWARD: Approve.

12 MS. FRANKS: Chairman Shurin.

13 CHAIRMAN SHURIN: Approve.

14 MS. FRANKS: By your vote you've adopted
15 Resolution No. 15-006.

16 EXECUTIVE DIRECTOR STOTTLEMYRE:

17 Mr. Chairman, the next item is Consideration of Waiver
18 of Institutional Investors. Ms. Martha LeMond will
19 present.

20 MS. LEMOND: Good morning, Mr. Chairman,
21 Commissioners.

22 CHAIRMAN/COMMISSIONERS: Good morning.

23 MS. LEMOND: Behind Tabs U and V are
24 resolutions regarding waivers of licensure for
25 institutional investors holding and/or requesting to

1 hold publicly traded interests of up to 20 percent in
2 gaming licensees.

3 These investors have submitted requests for
4 waivers to hold interest in these licensees in
5 compliance with 11 CSR 45-4.

6 The submitted waiver request certifies the
7 holding is for institutional investment purposes only,
8 with no intent to be involved in the management or
9 operation of the licensee.

10 Because the holdings may exceed the
11 10 percent threshold for which the Executive Director
12 may grant a waiver, this resolution is before the
13 Commission today.

14 Resolution No. 15-007 is for FIF V Preferred,
15 LLC, and Resolution No. 15-008 is for Omega Advisors,
16 Inc.

17 I'd be happy to answer any questions.

18 CHAIRMAN SHURIN: Any questions by any
19 Commissioners?

20 I will entertain a motion to approve
21 Resolution No. 15-007.

22 COMMISSIONER HOWARD: So moved.

23 COMMISSIONER NEER: Second.

24 CHAIRMAN SHURIN: Angie, please call the
25 roll.

1 MS. FRANKS: Commissioner Neer.
2 COMMISSIONER NEER: Approve.
3 MS. FRANKS: Commissioner Hale.
4 COMMISSIONER HALE: Approve.
5 MS. FRANKS: Commissioner Howard.
6 COMMISSIONER HOWARD: Approve.
7 MS. FRANKS: Chairman Shurin.
8 CHAIRMAN SHURIN: Approve.
9 MS. FRANKS: By your vote you've adopted
10 Resolution No. 15-007.
11 CHAIRMAN SHURIN: The Chair will entertain a
12 motion to approve Resolution No. 15-008.
13 COMMISSIONER HOWARD: So moved.
14 COMMISSIONER NEER: I'll second it.
15 CHAIRMAN SHURIN: Angie, please call the
16 roll.
17 MS. FRANKS: Commissioner Neer.
18 COMMISSIONER NEER: Approve.
19 MS. FRANKS: Commissioner Hale.
20 COMMISSIONER HALE: Approve.
21 MS. FRANKS: Commissioner Howard.
22 COMMISSIONER HOWARD: Approve.
23 MS. FRANKS: Chairman Shurin.
24 CHAIRMAN SHURIN: Approve.
25 MS. FRANKS: By your vote you've adopted

1 Resolution No. 15-008.

2 EXECUTIVE DIRECTOR STOTTLEMYRE:

3 Mr. Chairman, the next item would be the Consideration
4 of Election of a Vice-Chairman.

5 CHAIRMAN SHURIN: Okay. Do you want to talk
6 about that?

7 EXECUTIVE DIRECTOR STOTTLEMYRE: I'll take
8 it.

9 The main concern was that if we didn't have
10 all of you confirmed by our next meeting, we wouldn't be
11 able to have a meeting, but it does seem like we're
12 going to be all right in that respect now.

13 However, we still need a Vice-Chairman to
14 take over the meetings instead of you if you're not
15 available to participate.

16 COMMISSIONER NEER: Is that a selection of
17 the Board?

18 EXECUTIVE DIRECTOR STOTTLEMYRE: That is up
19 to you-all. The Chairman is appointed by the Governor
20 but the Vice-Chairman is voted upon by the
21 commissioners.

22 COMMISSIONER NEER: So you're looking for
23 nominations?

24 I nominate Diane Howard for Vice-Chair.

25 COMMISSIONER HALE: I'll second that

1 nomination.

2 CHAIRMAN SHURIN: Do we call for a vote or do
3 we do it by resolution?

4 EXECUTIVE DIRECTOR STOTTLEMYRE: Just a vote
5 now.

6 CHAIRMAN SHURIN: Angie, please call the roll
7 for a vote.

8 MS. FRANKS: Commissioner Neer.

9 COMMISSIONER NEER: Aye.

10 MS. FRANKS: Commissioner Hale.

11 COMMISSIONER HALE: Aye.

12 MS. FRANKS: Commissioner Howard.

13 COMMISSIONER HOWARD: I guess I'm willing to
14 serve.

15 MS. FRANKS: Chairman Shurin.

16 CHAIRMAN SHURIN: Aye.

17 MS. FRANKS: By your vote Diane Howard is our
18 Vice-Chairman.

19 EXECUTIVE DIRECTOR STOTTLEMYRE:
20 Congratulations.

21 COMMISSIONER HOWARD: Thank you. I
22 appreciate that, Roger.

23 CHAIRMAN SHURIN: So I'll tell you now all of
24 the times I won't be here.

25 COMMISSIONER HOWARD: I'm honored to serve.

1 Thank you.

2 EXECUTIVE DIRECTOR STOTTLEMYRE: The next
3 item on the agenda is Consideration of Delegation of
4 Authority to the Chairman. Mr. Grewach will present.

5 MR. GREWACH: Thank you.

6 We have a rule, 11 CSR 45-1.020(4), that
7 grants power to the Chairman to extend a license for up
8 to 60 days.

9 It's an important provision because we do
10 have licenses, as you can see, that have terms and they
11 expire. So in the event that we're unable to conduct a
12 meeting prior to the expiration of any company's license
13 term ending, the Chairman, and in the Chairman's absence
14 the Vice-Chairman, can enter an order extending that for
15 60 days.

16 The rule then provides that that action has
17 to be ratified at the next regular meeting of the
18 Commission, and if it's not ratified, then it's set
19 aside.

20 And that is just to protect us from
21 situations where we have that problem where we have a
22 license that is expiring but we do need some immediate
23 action for it.

24 CHAIRMAN SHURIN: Is there any questions by
25 any members of the Commission?

1 Chair will entertain a motion to approve
2 Resolution 15-009.

3 COMMISSIONER HALE: So moved.

4 COMMISSIONER NEER: Second.

5 CHAIRMAN SHURIN: Angie, please call the roll
6 for a vote.

7 MS. FRANKS: Commissioner Neer.

8 COMMISSIONER NEER: Approve.

9 MS. FRANKS: Commissioner Hale.

10 COMMISSIONER HALE: Approve.

11 MS. FRANKS: Commissioner Howard.

12 COMMISSIONER HOWARD: Approve.

13 MS. FRANKS: Chairman Shurin.

14 CHAIRMAN SHURIN: Approve.

15 MS. FRANKS: By your vote you've adopted
16 Resolution No. 15-009.

17 EXECUTIVE DIRECTOR STOTTLEMYRE:

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

19 Consideration of a Settlement Agreement.

20 Mr. Grewach.

21 MR. GREWACH: Thank you.

22 Under Tab X we have a settlement agreement
23 that has been reached by William S. Bargman, an
24 occupational licensee, and the staff subject to the
25 Commission's approval. The rule requires Commission

1 approval of any settlement of this type.

2 Mr. Bargman was the facility manager at
3 Harrah's North Kansas City. In November 2013 a company
4 which also did business with the casino did some septic
5 tank work at Mr. Bargman's residence.

6 The invoice for that work was sent to the
7 casino. Mr. Bargman in his position as Facility Manager
8 then approved the casino payment of that invoice.

9 An employee of the vendor testified -- or
10 gave a statement rather that Mr. Bargman instructed the
11 employee to send the invoice to the casino.

12 Bargman denied that and stated that the
13 vendor did that on their own initiative because the item
14 was supposed to be covered under warranty, and Bargman
15 then further alleged that he just inadvertently paid it
16 with other bills that were presented to him.

17 In the course of the negotiation, the
18 proposed settlement that was reached is one in which --
19 and by the way, as background, Mr. Bargman is no longer
20 working in the state of Missouri. He's moved to
21 Mississippi, working at another one of their facilities
22 there.

23 So the settlement is that he would serve a
24 six-month suspension, and that in addition, if he ever
25 would reapply for a license in the state of Missouri,

1 the Commission can use the facts of this case to deny
2 him that license application.

3 And his current license for Missouri expires
4 on May the 31st of 2015. So, in essence, his license is
5 suspended for the balance of the term. It will not be
6 renewed for two reasons. One, because of this action
7 and because he's no longer employed at a casino in
8 Missouri.

9 COMMISSIONER HALE: One question.

10 Do we have a procedure whereby we notify
11 other states of a disciplinary action taken against
12 someone licensed here?

13 MR. GREWACH: I don't believe we actively or
14 proactively send this out, but this would be on record,
15 so that if he applied anywhere else, they would inquire
16 of us and this disciplinary action would be made
17 available to them.

18 So this will be a record that is going to be
19 available to every jurisdiction which he would apply for
20 a license.

21 COMMISSIONER HALE: Procedurally I guess the
22 normal practice would be to ask the applicant what other
23 states you had previously been licensed in and that
24 state would then contact us and then presumably find out
25 that he had a six-month suspension?

1 MR. GREWACH: Correct.

2 COMMISSIONER HALE: I got it.

3 CHAIRMAN SHURIN: Any further questions or
4 comments?

5 Chair will entertain a motion to approve
6 Resolution No. 15-010.

7 COMMISSIONER HALE: So moved.

8 COMMISSIONER NEER: Second.

9 CHAIRMAN SHURIN: Angie, please call the roll
10 for a vote.

11 MS. FRANKS: Commissioner Neer.

12 COMMISSIONER NEER: Approve.

13 MS. FRANKS: Commissioner Hale.

14 COMMISSIONER HALE: Approve.

15 MS. FRANKS: Commissioner Howard.

16 COMMISSIONER HOWARD: Approve.

17 MS. FRANKS: Chairman Shurin.

18 CHAIRMAN SHURIN: Approve.

19 MS. FRANKS: By your vote you've adopted
20 Resolution No. 15-010.

21 EXECUTIVE DIRECTOR STOTTLEMYRE:

22 Mr. Chairman, the next item on the agenda would be a
23 motion to go into closed.

24 CHAIRMAN SHURIN: Okay. Chair will entertain
25 a motion for a closed meeting under Section 313.847,

1 Revised Statutes of Missouri, investigatory, proprietary
2 and application records, and 610.021(1), Revised
3 Statutes of Missouri, legal actions, and (3) and (13),
4 personnel, and (14) records protected from disclosure by
5 law.

6 COMMISSIONER HOWARD: Well, he did the hard
7 work, so instead of just entertaining that motion I'll
8 second that.

9 No. I'll make it. That's right.

10 I'm used to having to make that hard motion.
11 Our new Chairman did the hard work.

12 So rather than repeat that motion I'll so
13 move as suggested by our Chair.

14 CHAIRMAN SHURIN: Thank you, Madam
15 Vice-Chairman.

16 COMMISSIONER HALE: I'll second.

17 CHAIRMAN SHURIN: Okay. Angie, please call
18 the roll.

19 MS. FRANKS: Commissioner Neer.

20 COMMISSIONER NEER: Approve.

21 MS. FRANKS: Commissioner Hale.

22 COMMISSIONER HALE: Approve.

23 MS. FRANKS: Commissioner Howard.

24 COMMISSIONER HOWARD: Approve.

25 MS. FRANKS: Chairman Shurin.

1 CHAIRMAN SHURIN: Approve.

2 WHEREIN, the meeting concluded at 11:40 a.m.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE OF REPORTER

I, Patricia A. Stewart, 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.

Patricia A. Stewart

CCR No. 401

MISSOURI GAMING COMMISSION
Open Session Minutes
January 28, 2015

The Missouri Gaming Commission (the “Commission”) went into open session at approximately 12:16 p.m. on January 28, 2015, at the Commission’s Jefferson City office.

Commissioners and staff will be looking at the proposed Commission meeting dates for 2015 at the February 25th meeting. No motion, vote or action was taken.

Commissioner Hale moved to adjourn the open session meeting. Commission Neer seconded the motion. After a roll call vote was taken, Shurin – yes, Howard – yes, Hale – yes, and Neer – yes, the motion passed unanimously.

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