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MISSOURI GAMING COMMISSION

MEETING

May 20, 2015
Missouri Gaming Commission
3417 Knipp Drive
Jefferson City, Missouri

Before:

- Leland Shurin - Chairman
- Diane Howard - Commissioner
- Larry Hale - Commissioner
- Thomas Neer - Commissioner
- William Siebert- Executive Director
- Angie Franks - Commission Staff

THE COURT REPORTER:

Jenna Petree
MIDWEST LITIGATION SERVICES
401 Locust Street
Columbia, MO 65201
573-449-0561

1 PROCEEDINGS

2 COMMISSIONER SHURIN: This meeting will be
3 called to order of the Missouri Gaming Commission. Angie,
4 please call the roll for a quorum.

5 MS. FRANKS: Commissioner Neer?

6 MR. NEER: Present.

7 MS. FRANKS: Commission Jamison? Commissioner
8 Hale?

9 MR. HALE: Present.

10 MS. FRANKS: Commissioner Howard?

11 MS. HOWARD: Present.

12 MS. FRANKS: Chairman Shurin?

13 COMMISSIONER SHURIN: Present. This is a
14 quorum of four of five. We need to consider the minutes
15 from the April 28, 2015 meeting. The Chair will entertain
16 a motion to approve the minutes.

17 MR. HALE: So moved.

18 MS. HOWARD: Seconded.

19 COMMISSIONER SHURIN: Any discussion? No
20 discussion. Angie, please call the roll for a vote.

21 MS. FRANKS: Commissioner Neer?

22 MR. NEER: Approved.

23 MS. FRANKS: Commissioner Hale?

24 MR. HALE: Approved.

25 MS. FRANKS: Commissioner Howard?

1 MS. HOWARD: Approved.

2 MS. FRANKS: Chairman Shurin?

3 COMMISSIONER SHURIN: Approved.

4 MS. FRANKS: By your vote you have adopted the
5 minutes of the April 28, 2015 meeting.

6 COMMISSIONER SHURIN: We want to now consider
7 the April 29 meeting.

8 MS. HOWARD: We were busy in April. That was
9 a long time ago, Chair.

10 COMMISSIONER SHURIN: You get old, you know.
11 Okay.

12 MS. HOWARD: We were on the road.

13 COMMISSIONER SHURIN: That was a great
14 meeting. We very much thank the staff for setting that up.
15 It was entertaining and very educational. We appreciate it
16 very much. Okay. The Chair will entertain a motion to
17 approve the minutes of the April 29, 2015 meeting.

18 MS. HOWARD: I move that we approve the
19 minutes of our very nice visit to Saint Charles on the 29th
20 of April. We thank the folks in Saint Charles for hosting
21 us.

22 MR. NEER: Second.

23 COMMISSIONER SHURIN: Any discussion? That
24 being done, Angie, please call the roll for a vote.

25 MS. FRANKS: Commissioner Neer?

1 MR. NEER: Approved.

2 MS. FRANKS: Commissioner Hale?

3 MR. HALE: Approved.

4 MS. FRANKS: Commissioner Howard?

5 MS. HOWARD: Approved.

6 MS. FRANKS: Chairman Shurin?

7 COMMISSIONER SHURIN: Approved.

8 MS. FRANKS: By your vote you have adopted the
9 minutes of the April 29, 2015 meeting.

10 MR. SIEBERT: Mr. Chair, the first order of
11 business is the consideration of disciplinary action, which
12 Mr. Ed Grewach will present.

13 MR. GREWACH: Thank you, Chairman and
14 Commissioners.

15 MS. HOWARD: Good morning, Ed.

16 MR. GREWACH: How are you? Under Tab C we
17 have a preliminary order of discipline directed to Bally
18 Technologies, Incorporated. Our Rule 45-5.237 requires
19 that software be approved for use prior to it being shipped
20 into the state of Missouri. On December 24, 2014, Bally
21 shipped one piece of electronic gaming device software to
22 Harrah's in North Kansas City. It was discovered during
23 the software verification process by one of our employees
24 that this particular piece of software was not approved by
25 the Missouri Gaming Commission for use in Missouri. The

1 recommended fine is \$5,000.00.

2 COMMISSIONER SHURIN: Are there any questions
3 on this matter? Is there any discussion? I note that
4 there were it looks like prior violations or -- on this and
5 it looks to me like previously there have been three or
6 four involving Bally -- Bally Technologies, Inc. and I'm
7 wondering about the -- it looks like in January of 2013
8 there was a penalty of \$10,000.00 and this time the staff
9 recommends a \$5,000.00; is that correct?

10 MR. GREWACH: That's correct. When you look
11 at those recommendations, there are times that we consider
12 the more recent priors, how many they have had in a recent
13 timeframe. And I believe you'll see that the last Bally
14 violation that resulted in a fine was in April of 2013. So
15 prior to that January '13, \$10,000.00 fine, we looked at
16 the priors up to that point in time. Every case of course
17 has its particular circumstances that vary and in this
18 particular case, it was just a script in their software
19 that didn't catch this. This was a piece of software that
20 was approved for use in other jurisdictions, but not in
21 Missouri. It had been submitted for testing in Missouri
22 but had been withdrawn. So upon discovering that, Bally
23 then fixed their software to ensure this problem wouldn't
24 occur, this specific problem wouldn't occur in the future.
25 That they would miss a piece of software that happened to

1 be approved other states, but not in Missouri. So that
2 came into play and the recommendation of the fine, relative
3 to a prior fine. Now, I can also say when you look at a
4 fine of a company as large as Bally who ships thousands of
5 pieces of software per year into this state. You know, if
6 Bally was here speaking they would say look at our error
7 rate. Our success rate is 99.9 percent and we make this
8 one mistake. So we consider that too. The volume, how the
9 error relates to the volume that they ship and all that
10 comes into consideration when we look at staff
11 recommendation for a fine.

12 COMMISSIONER SHURIN: Have we are approved
13 this software since then?

14 MR. GREWACH: I would probably call on Todd
15 Nelson our electronic gaming device manager to answer that
16 question.

17 MR. NELSON: Good morning. This particular
18 software had a bug to where if you went into it, something
19 would not be displayed to a patron. You had to have
20 access to the door. They corrected the software. I cannot
21 speak to whether this particular version was reinstalled,
22 but I can definitely follow up on that one.

23 COMMISSIONER SHURIN: Okay. Thank you. Any
24 other questions, comments?

25 MS. HOWARD: Well, I noted for you, Ed, that I

1 think the 2000 -- the last discipline I think was regarding
2 an incident I think two years before this. I think the
3 record indicated. So it appeared that they had gone a
4 couple of years without having any issues with having any
5 unapproved software problems. We don't seem to be having
6 these problems as frequently. When I first came on board,
7 we seem to be having these with a lot of frequency but we
8 don't seem to be having them as much.

9 MR. GREWACH: We have seen that trend as well.
10 I think when we were looking, for example, at one of our
11 other suppliers renewal a month or two back, you know, we
12 are tracking how much they had improved in the number of
13 violations as years went on, how much that number had been
14 reduced. And I can say I think that's an accurate
15 statement, Commissioner Howard, that I think the companies
16 are getting better at tying this down to where they are
17 catching the unapproved or revoked software prior to
18 shipping.

19 MS. HOWARD: It seems to be similar to the
20 underage individuals coming into the casinos. Something
21 that was -- several years ago -- was with great frequency
22 and at that time the message got out and we see it with
23 infrequency even though we used to hear it based on our
24 numbers. We don't really care about numbers; one is too
25 many. We really see relatively few. And if you look at

1 this and you see 2013, 2013, 2013, 2013 but we are not
2 seeing as many now. So, I guess I think I can manage that
3 maybe your people in getting the message out when you're
4 talking to the folks. These things are approved or
5 disapproved for a reason.

6 COMMISSIONER SHURIN: Okay. Is there any
7 further questions? Any discussion? Angie, please call the
8 roll for a vote. We don't have a motion. Is there a
9 motion to approve the staff recommendation?

10 MR. HALE: So moved.

11 MR. NEER: Second.

12 COMMISSIONER SHURIN: Angie, please call the
13 roll.

14 MS. FRANKS: Commissioner Neer?

15 MR. NEER: Approved.

16 MS. FRANKS: Commissioner Hale?

17 MR. HALE: Approved.

18 MS. FRANKS: Commissioner Howard?

19 MS. HOWARD: Approved.

20 MS. FRANKS: Chairman Shurin?

21 COMMISSIONER SHURIN: Approved

22 MS. FRANKS: By your vote you have adopted
23 DC-15-165.

24 MR. GREWACH: Under Tab D we have a
25 preliminary order of discipline directed to Mark Twain

1 Casino. Our Rule 45-8.040 requires casinos to keep certain
2 records with their electronic gaming devices. We also have
3 a Minimum Internal Control Standard S8.04, which requires
4 that their systems have redundancy built in to prevent any
5 loss of data. On June 20, 2014 the casino experienced
6 problems with tickets that were generated by electronic
7 gaming devices that could not be found in their system.
8 They called Bally Technologies, their vendor of their
9 particular system, and found that the problem arose because
10 the system was not properly configured. What the situation
11 was is they have two servers for the slot accounting system
12 and every two weeks they switch from one to the other and
13 there should be set-up in a way that the server that's not
14 being used currently is copying everything off of the
15 server in use, so that when they switch over there is no
16 loss of data. Because of this incorrect configuration,
17 when they did the switch over, that didn't occur. And as a
18 matter of fact they lost 14 days of system data. Now,
19 pursuant to separate requirements, we also require that
20 casinos do keep a hard copy of backups of the data that is
21 gathered by the system. And in Cape Girardeau's case, they
22 kept those on tapes and they were able to restore most of
23 the 14 days of data off of those tapes. However, in the
24 process of the problem, they completely lost 55 minutes of
25 data for June the 19, 2014. Staff in this case recommended

1 a \$5,000.00 fine. In response, the casino did not dispute
2 the violation, however directed us to and asked us to
3 review documents they had provided to us in response to
4 request for production of documents that we had given them
5 in the course of the investigation. The Staff Discipline
6 Review Board reviewed those and voted to continue its
7 recommendation of a \$5,000.00 fine.

8 COMMISSIONER SHURIN: Okay. And are there any
9 questions?

10 MR. HALE: Has this entity taken steps to
11 improve it's back-up capability so if there is a system
12 failure in the future, they have sufficient back-up
13 capabilities to restore all the data?

14 MR. GREWACH: They -- let me say first, this
15 isn't a direct answer to your question, but they have fixed
16 this problem and the problem wasn't with their tape
17 back-up. It's that for those 55 minutes, because of the
18 misconfiguration, the backup gets its information from
19 the server. And because of the misconfiguration there were
20 55 minutes where the server wasn't conveying the
21 information to the backup system. So it wasn't fault of
22 the backup system, it was just the malfunction of the
23 server and the configuration of it. So the backup system
24 worked as it was designed but just didn't receive this 55
25 minutes worth of data.

1 MR. HALE: So then the problem with the server
2 has been completed?

3 MR. GREWACH: Correct. And that has been
4 corrected.

5 MR. NEER: What was the general nature of the
6 data that was lost?

7 MR. GREWACH: The data that was lost would be
8 revenue data, drops, how much money is taken out, meters,
9 employee accounts, parameters, passwords; all data that
10 relates to the operation of the electronic gaming device.

11 MR. NEER: You said some of that was retrieved
12 or it's all gone?

13 MR. GREWACH: Everything was retrieved except
14 for that 55 minutes. And for that 55 minutes what they had
15 to do from a tax standpoint was they just went ahead and
16 went by the drops because they have a separate record of
17 how much money is taken out of the slot machines. So they
18 were able to track the revenue for that 55 minutes. What
19 we would never have if we had to go back and prove let's
20 say who entered the machine a certain time or, you know, if
21 there is some issue of how a meter operated; we wouldn't
22 have access to that data for that 55 minute time period.
23 But we were able to recreate the amount of money the
24 revenue generated by the machine for tax purposes.

25 MS. HOWARD: And we want to be sure our record

1 is clear. You said Cape Girardeau and I think you meant
2 Mark Twain. Cape Girardeau is our next agenda.

3 MR. GREWACH: I am getting ahead of myself. I
4 apologize.

5 MS. HOWARD: We are getting a little ahead of
6 ourselves. I just don't want to have to correct that when
7 we have our minutes for next month. We may not be able to
8 recall that a month from now.

9 MR. GREWACH: Thank you very much.

10 COMMISSIONER SHURIN: Any further questions?

11 MR. GREWACH: Should the personnel hear from
12 Cape Girardeau and staff?

13 MS. HOWARD: They are still snoozing from the
14 big Chamber of Commerce event last night. I know I was
15 there, so they didn't even catch it.

16 COMMISSIONER SHURIN: Is there a motion to
17 approve DC-15-166?

18 MR. NEER: Motion to approve.

19 MR. HALE: Second.

20 COMMISSIONER SHURIN: Any discussion on that
21 motion? Hearing none; Angie, please call the roll for a
22 vote.

23 MS. FRANKS: Commissioner Neer?

24 MR. NEER: Approved.

25 MS. FRANKS: Commissioner Hale?

1 MR. HALE: Approved.

2 MS. FRANKS: Commissioner Howard?

3 MS. HOWARD: Approved.

4 MS. FRANKS: Chairman Shurin?

5 COMMISSIONER SHURIN: Approved.

6 MS. FRANKS: By your vote you have adopted
7 DC-15-166.

8 MR. GREWACH: Tab E we have a preliminary
9 order of discipline against Isle of Capri, Cape Girardeau.
10 On July 14, 2014 the casino reported to us that a poker
11 dealer had not been collecting the rake and bad beat as
12 required. Now, as background on a casino floor, most of
13 the games are games in which the patron plays against the
14 casino and the casino's revenue comes from the revenue
15 patrons lose. Now, poker is different in that the
16 players play against each other. And at the end of each
17 pot, the dealer is required to take out a preset specific
18 amount from the pot and that's what called the rake. And
19 that is where the casino revenue and the revenue that we
20 tax comes from out of a poker game. Now, the bad beat is a
21 separate betting pool, which is also taken out of certain
22 rakes according to preset rule. And what the bad beat is,
23 is a wager where if you have a very good hand but still
24 lose the pot, then that kicks in the bad beat payout. Now,
25 all that's defined by their rules, you know, what qualifies

1 for a bad beat payout, what hand you could have that's good
2 enough to qualify but you still lose. For example, if I'm
3 playing poker and I have a full house, three aces and two
4 tens, but someone else at the table has four twos and I
5 lose; that's the kind of hand that would very possibly,
6 according to the rules, generate a payout of this bad beat
7 pot. And the bad beat pot is taken out of every pot that's
8 taken out. The bad beat amount grows and it's posted at
9 the table what that is and then they have rules about who
10 gets it when it is what it is and won. So those were the
11 two things that this particular dealer was not collecting.
12 There was some statements made by the dealer that she had
13 been failing to take out these two items from pots for some
14 time period. The only surveillance that we had available
15 to us was from the time period of July the 2nd to July the
16 14th. We reviewed that surveillance and we found 232
17 incidents where the dealer either did not take out the rake
18 or bad beat or both. Total rake not collected amounted to
19 \$675.00 and the total bad beat amounted to \$231.00. There
20 were three particular supervisors who were present at the
21 table the majority of the times that that occurred. And as
22 a matter of fact, 51 of those times the supervisor was
23 standing directly at the table when the dealer failed to
24 take the proper amounts out. And in most of those
25 occasions, there was only one poker table open at the time

1 of the incidents of the dealer's failure to take out those
2 amounts. We view it as a lack of supervision and the Staff
3 Discipline Review board recommended a fine of \$10,000.00.

4 COMMISSIONER SHURIN: Are there any questions?
5 Ed, does each casino set up its own bad beat payment?

6 MR. GREWACH: Yes, they do. They each have
7 rules and submit internal controls to us as well as to what
8 does qualify. And to get a little bit more technical, they
9 might even have primary bad beat and secondary bad beat and
10 tertiary bad beat pots, but it's all set according to a
11 formula as to what's collected, what's funded, and how it's
12 paid for.

13 COMMISSIONER SHURIN: I always thought a bad
14 beat was in part where someone basically bet on a bad hand
15 and won and beat a hand that was good. Am I wrong on that?

16 MR. GREWACH: Well, you know, let's go back to
17 the example I gave. You know, let's just say that I have
18 the full house and I have three aces over tens. I'm
19 playing Texas Hold em'. So I have got my two cards down
20 and they are both aces. And I look at the cards that are
21 face up on the table, none of them -- well, only one of
22 them is an ace. So I'm thinking I'm in pretty good shape
23 here. I don't know that this player sitting to my left has
24 two 2's and there is also two 2's showing. I don't think
25 anything of those two 2's showing, what do they amount to.

1 But there is a case where, you know, the player isn't
2 necessarily betting on a bad hand but nobody at the table
3 could look at that. Sitting there at the table, the person
4 with the two aces would think I have got a winner here.
5 I'm going to go all in. I'm going to bet maximum amount.
6 I'm going to bet everything I have on this. Only to be
7 surprised to find out that somebody has these two 2's to
8 make a four-of-a-kind out of the two 2's on the table.
9 That's more my rough understanding of how that would come
10 about.

11 COMMISSIONER SHURIN: Mine would be that the
12 person that bet on the two 2's down not having any twos in
13 their hand, and then drawing those at the last two draws.
14 But, I guess whatever their own rules are is fine with me,
15 as long as you all approve. Okay. Any further discussion
16 on this or questions? Chair will entertain a motion to
17 approve DC-15-167.

18 MS. HOWARD: So moved.

19 MR. HALE: Second.

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

22 MS. FRANKS: Commissioner Neer?

23 MR. NEER: Approved.

24 MS. FRANKS: Commissioner Hale?

25 MR. HALE: Approved.

1 MS. FRANKS: Commissioner Howard?

2 MS. HOWARD: Approved.

3 MS. FRANKS: Chairman Shurin?

4 COMMISSIONER SHURIN: Approved.

5 MS. FRANKS: By your vote you adopted
6 DC-15-167.

7 MR. GREWACH: Under Tab F we have a
8 preliminary order of discipline directed to Isle of Capri
9 Boonville. There was a minor on the casino floor on
10 January 10, 2015. So a 20-year old female who had her own
11 Oklahoma driver's license, she entered at the turnstiles,
12 security officer looked at the ID, ran it through the
13 scanner but failed to notice that both the scanner and the
14 ID itself said that the person was under 21. As a matter
15 of fact the ID itself had in a red box, "Under 21 until
16 March 20, 2015." After she entered the casino, there were
17 four other casino employees who encountered her and did not
18 check the ID. She was on the floor for one hour, gambled
19 and did not consume any alcoholic beverages. The
20 recommended fine is \$5,000.00.

21 COMMISSIONER SHURIN: Are there any questions
22 on this? Is there a motion to approve DC-15-168?

23 MR. NEER: Motion to approve.

24 MR. HALE: Second.

25 COMMISSIONER SHURIN: Any discussion on that?

1 Please call the roll for a vote.

2 MS. FRANKS: Commissioner Neer?

3 MR. NEER: Approved.

4 MS. FRANKS: Commissioner Hale?

5 MR. HALE: Approved.

6 MS. FRANKS: Commissioner Howard?

7 MS. HOWARD: Approved.

8 MS. FRANKS: Chairman Shurin?

9 COMMISSIONER SHURIN: Approved.

10 MS. FRANKS: By your vote you have adopted
11 DC-15-168.

12 MR. GREWACH: Thank you.

13 MR. SEIBERT: Mr. Chairman, the next order of
14 business is the consideration of relicensure of certain
15 suppliers and Sergeant Brian Holcomb will present.

16 MR. HOLCOMB: Mr. Chairman, Commissioners:
17 behind Tabs G and H would will notice two supplier
18 companies being presented for relicensure.

19 Highway Patrol and MGC financial investigators
20 conducted relicensing investigations consisting of
21 jurisdictional inquiries, feedback from affected gaming
22 company clients, an examination of disciplinary actions,
23 litigation and business credit profiles, as well as a
24 review of key persons associated with each company.
25 Investigative summaries were provided to the MGC staff for

1 review and investigators are present to answer any
2 questions you might have.

3 The first company being presented is IGT,
4 located in Las Vegas, Nevada. IGT is a global gaming
5 company specializing in the design, manufacture and
6 marketing of electronic gaming equipment and systems products.

7 MR. HALE: If I might just, Mr. Chairman, when
8 I reviewed the material I had some concern associated --
9 this is more for the benefit of the Commissioners than for
10 anything else. I had some concern about the number of
11 violations during the reporting period by IGT. I did
12 mention that to Ed prior to this meeting and Ed was kind
13 enough to share with me the motion that this is a large, I
14 guess supplier of gaming equipment doing a tremendous
15 amount of business. It was my understanding from Ed that
16 this is not in the grand scheme of things an enormous
17 problem given the volume of material that they move. Would
18 that be fair evidence?

19 MR. GREWACH: That would, Commissioner Hale.
20 The company's large multi-nation corporation is licensed in
21 a hundred different countries and probably a couple hundred
22 jurisdictions here in the United States. I don't have
23 their gross sales. I think that last time I checked they
24 probably had gross sales of 2 billion. Again, don't hold
25 me to that because that's a figure I looked at some years

1 ago. But that's just to give you an idea of the volume of
2 the shipping. In any of these cases if you looked at from
3 the supplier's perspective, they would say you are
4 disciplining us. Let's take for example this prior case
5 with Bally for shipping that was unapproved or revoked
6 software. But they are saying we have a 99.9 percent
7 success rate and I think that's really more of what you'll
8 see here today with the volume of their violations don't
9 concern us as a staff given what we know about the volume
10 of business and what the company does.

11 COMMISSIONER SHURIN: Thank you for raising
12 that Commissioner Hale. That was a concern and I
13 appreciate all your comments, Ed, and Sergeant.

14 MS. HOWARD: I'm assuming the same as far as
15 pending litigation. A company of this size is going to be
16 involved in litigation.

17 MR. GREWACH: They are. Again, given the same
18 volume that they do and they have 13,000 employees. So
19 it's just a company that is going to occasionally get
20 involved in litigation. And once again from a staff
21 perspective, none of the cases presented caused us any
22 concern.

23 MS. HOWARD: I see that, you know, some of it
24 is mechanic liens and things like that we have no concern
25 about. But others, you know, interesting where I see some

1 litigation against it for disgruntled players that
2 didn't -- weren't successful with winning or jackpots or
3 whatever I guess that kind of litigation is filed.

4 MR. HOLCOMB:

5 MR. GREWACH: Yes.

6 MS. HOWARD: And I guess when it's filed,
7 everyone gets it; the gaming facility, the manufacturers of
8 the equipment, maybe even sometimes Gaming Commissions.

9 MR. GREWACH: That has happened on occasion.

10 MS. HOWARD: Heaven forbid.

11 COMMISSIONER SHURIN: That's a material
12 thought.

13 MR. SEIBERT: Mr. Chairman, after much
14 discussion on this case, the staff does recommend approval.

15 COMMISSIONER SHURIN: Thank you. Is there a
16 motion to approve Resolution 15-039.

17 MR. HALE: So moved.

18 MR. NEER: Second.

19 COMMISSIONER SHURIN: Any further discussion
20 on that? No further discussion. Angie, please call the
21 roll.

22 MS. FRANKS: Commissioner Neer?

23 MR. NEER: Approved.

24 MS. FRANKS: Commissioner Hale?

25 MR. HALE: Approved.

1 MS. FRANKS: Commissioner Howard?

2 MS. HOWARD: Approved.

3 MS. FRANKS: Chairman Shurin?

4 COMMISSIONER SHURIN: Approved.

5 MS. FRANKS: By your vote you have adopted
6 Resolution No. 15-039.

7 MR. HOLCOMB: The second company is JCM
8 American Corporation located in Las Vegas, Nevada. JCM
9 American Corporation is a manufacturer and distributor of
10 currency handling equipment, as well as a distributor of
11 thermal printers and monitors.

12 MR. SEIBERT: The staff does recommend
13 approval on this also.

14 MS. HOWARD: This one seemed easy, a printing
15 company.

16 COMMISSIONER SHURIN: Any questions? Seeing
17 none. Is there a motion to approve Resolution 15-040?

18 MS. HOWARD: So moved.

19 MR. HALE: Second.

20 COMMISSIONER SHURIN: Any discussion on that
21 motion? There being none; Angie, please call the roll for
22 a vote.

23 MS. FRANKS: Commissioner Neer?

24 MR. NEER: Approved.

25 MS. FRANKS: Commissioner Hale?

1 MR. HALE: Approved.

2 MS. FRANKS: Commissioner Howard?

3 MS. HOWARD: Approved.

4 MS. FRANKS: Chairman Shurin?

5 COMMISSIONER SHURIN: Approved.

6 MS. FRANKS: By your vote you have adopted
7 Resolution No. 15-040.

8 COMMISSIONER SHURIN: Thank you, Sergeant.

9 MR. HOLCOMB: Thank you.

10 MR. SEIBERT: Mr. Chairman, the next item is
11 consideration of licensure of Level I and key applicants.
12 Sergeant Mike Finnegan will present.

13 MR. FINNEGAN: Mr. Chairman and Commissioners:
14 Missouri State Highway Patrol investigators, along with
15 Gaming Commission financial investigators, conducted
16 comprehensive background investigations on multiple key and
17 Level I applicants.

18 The investigations included, but were not
19 limited to, criminal, financial and general character
20 inquiries, which were made in the jurisdiction where the
21 applicants lived, worked and frequented.

22 The following individuals are being presented
23 for your consideration: Joseph M. DeRosa, general manager
24 Affinity Gaming; Atul Sancheit, group manager, BMM
25 Testlabs; David Hayes, Surveillance manager, Isle of Capri,

1 Cape Girardeau.

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

6 MR. SEIBERT: Staff recommends approval on
7 those three.

8 COMMISSIONER SHURIN: Does staff recommend
9 approval of all three; is that correct?

10 MR. SEIBERT: Yes.

11 COMMISSIONER SHURIN: Are there any questions
12 or comments in regard to Resolution 15-041? Is there a
13 motion to approve Resolution No. 15-041?

14 MR. HALE: Motion to approve.

15 MS. HOWARD: Second.

16 COMMISSIONER SHURIN: Any discussion on the
17 motion? There being none; Angie, please call the roll for
18 a vote.

19 MS. FRANKS: Commissioner Neer?

20 MR. NEER: Approved.

21 MS. FRANKS: Commissioner Hale?

22 MR. HALE: Approved.

23 MS. FRANKS: Commissioner Howard?

24 MS. HOWARD: Approved.

25 MS. FRANKS: Chairman Shurin?

1 COMMISSIONER SHURIN: Approved.

2 MS. FRANKS: By your vote you have adopted
3 Resolution No. 15-041.

4 MR. SEIBERT: Commissioners, Chairman, the next
5 item is waiver of institutional investor and Ms. Martha
6 LeMond will present.

7 MS. LEMOND: Good morning, Mr. Chairman and
8 Commissioners. Behind Tab J is a resolution regarding a
9 request for a waiver of licensure for institutional
10 investors holding and/or requesting to hold publicly-traded
11 interest of up to 20 percent in gaming licensees.

12 This investor has submitted a request for a
13 waiver to hold interests in a Missouri Licensee, in
14 compliance with 11CSR 45-4. The submitted waiver request
15 certifies the holding is for institutional investment
16 purposes only, with no intent to be involved in the
17 management or operation of the licensee.

18 Because the holdings made exceed the 10
19 percent threshold for which the executive director may
20 grant a waiver, this resolution is before the Commission
21 today.

22 Resolution No. 15-042 is for Plymouth Lane
23 Capital Management, LLC.

24 I'd be happy to answer any questions.

25 COMMISSIONER SHURIN: Are there any questions?

1 Is there a motion to approve Resolution 15-042?

2 MR. HALE: So moved.

3 MR. NEER: Second.

4 COMMISSIONER SHURIN: Any discussion on that
5 motion? There being none; Angie, please call the roll for
6 a vote.

7 MS. FRANKS: Commissioner Neer?

8 MR. NEER: Approved.

9 MS. FRANKS: Commissioner Hale?

10 MR. HALE: Approved.

11 MS. FRANKS: Commissioner Howard?

12 MS. HOWARD: Approved.

13 MS. FRANKS: Chairman Shurin?

14 COMMISSIONER SHURIN: Approved.

15 MS. FRANKS: By your vote you have adopted
16 Resolution No. 15-4042.

17 COMMISSIONER SHURIN: Next issue is a motion
18 for closed meeting. Commissioner Howard, would you do the
19 honor?

20 MS. HOWARD: I would be willing to do the
21 honors. I move that we make a motion to go into the closed
22 session pursuant to Sections 313.842 Revised Statutes of
23 Missouri for Investigatory, Proprietary and Application
24 Records; and Section 610.021(1) of Revised Statutes of
25 Missouri for Legal Actions, and (3) and (13) for Personnel

1 Matters, and (14) for Records Protected from Disclosure by
2 Law.

3 COMMISSIONER SHURIN: I hear a second on that?

4 MR. HALE: I will second.

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

7 MS. FRANKS: Commissioner Neer?

8 MR. NEER: Approved.

9 MS. FRANKS: Commissioner Hale?

10 MR. HALE: Approved.

11 MS. FRANKS: Commissioner Howard?

12 MS. HOWARD: Approved.

13 MS. FRANKS: Chairman Shurin?

14 COMMISSIONER SHURIN: Approved.

15 MS. FRANKS: Your vote you have adopted

16 Resolution -- I'm sorry -- meeting is adjourned.

17 (Meeting concluded at 10:33 a.m.)

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1 CERTIFICATE OF REPORTER

2 STATE OF MISSOURI)
) ss.
3 COUNTY OF COLE)

4 I, Jenna Petree, Certified Court Reporter, do
5 hereby certify that the witness whose testimony appears in
6 the foregoing deposition was duly sworn by me; that the
7 testimony of said witness was taken by me to the best of my
8 ability and thereafter reduced to typewriting under my
9 direction; that I am neither counsel for, related to, nor
10 employed by any of the parties to the action in which this
11 deposition was taken, and further that I am not a relative
12 or employee of any attorney or counsel employed by the
13 parties thereto, nor financially or otherwise interested in
14 the outcome of the action.

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17 Certified Court Reporter

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MISSOURI GAMING COMMISSION
Second Open Session Minutes
May 20, 2015

The Missouri Gaming Commission (the “Commission”) went into open session at approximately 11:03 a.m. on May 20, 2015, at the Missouri Gaming Commission’s Jefferson City office.

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

The meeting ended at 11:05 a.m.