

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:

June 28, 2017
9:00 a.m.
Riverside City Hall
2950 N.W. Vivion Road
Riverside, Missouri 64150

BEFORE:

Herbert M. Kohn, Chairman
Brian Jamison, Vice Chairman
Larry D. Hale, Commissioner
Thomas Neer, Commissioner
Richard F. Lombardo, Commissioner

Reported by:
James A. Leacock, CCR 662
Cross Reporting Service
306 S.E. 291 Highway
Lee's Summit, Missouri 64063

AGENDA

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

- I. Call to Order
- II. Consideration of Minutes
 - A. May 31, 2017
- III. Consideration of Renewal of Supplier's License
 - B. Tech Art Manufacturing, Inc.
- IV. Consideration of Relicensure of Certain Class B Licensees:
 - IOC-Kansas City, Inc.
 - IOC-Boonville, Inc.
 - IOC-Caruthersville, Inc.
 - Presentation by Applicant
 - Presentation by City of Kansas City
 - Presentation by City of Boonville
 - Presentation by City of Caruthersville
 - Public Comment
 - Investigative Summary
 - MBE/WBE Compliance Review
 - Staff Recommendations
 - C. Resolution No. 17-036
 - D. Resolution No. 17-037
 - E. Resolution No. 17-038
- V. Consideration of Disciplinary Action
 - F. St. Louis Gaming Ventures, LLC
 - 1. DC-17-075
- VI. Motion for Closed Meeting under Sections 313.847 and 313.945, RSMo., Investigatory, Proprietary and Application Records and 610.021(1), RSMo., Legal Actions, (3) & (13) Personnel and (14) Records Protected from Disclosure by Law.
- VII Motion to Open Meeting.
- VIII Adjournment.

- - - -

1 CHAIRMAN KOHN: Well, good morning
2 everybody. We will have an official welcome to
3 Riverside in a few minutes. I love being in
4 Riverside, because it is the only time of the year
5 that I can say (gavel banging) that. Angie,
6 please call the roll.

7 MS. FRANKS: Commissioner Lombardo.

8 COMMISSIONER LOMBARDO: Present.

9 MS. FRANKS: Commissioner Neer.

10 COMMISSIONER NEER: Present.

11 MS. FRANKS: Commissioner Hale.

12 COMMISSIONER HALE: Present.

13 MS. FRANKS: Commissioner Jamison.

14 COMMISSIONER JAMISON: Present.

15 MS. FRANKS: Chairman Kohn.

16 CHAIRMAN KOHN: Present. So we have a
17 quorum. And if you haven't noticed, Commissioner
18 Neer is with us but on the phone, so he will be
19 participating at the meeting, but will be on the
20 phone.

21 Before we begin our official meeting, we
22 have two things I would like to do. One is to
23 have you welcomed to Riverside by the Mayor of
24 Riverside. Mayor Rose, could you offer a few
25 words.

1 MAYOR KATHY ROSE: Yes, I would love to.
2 Honorable Commission. Thank you so much for being
3 here in our community today and welcome. I know
4 that good work will be done here today. Welcome
5 to all of you-all here to the City of Riverside.
6 Thank you for being here. We are a small town.
7 We are small but mighty. We have been able to be
8 on that path a lot because of the gaming vendor
9 that we have and Argosy here in the City. And
10 they are a wonderful group of people to work with,
11 and I can't say what great partners they are with
12 the City. But I just want to welcome all of you.
13 It is like old home week. I get to visit with
14 some new friends and see faces that I enjoy. I
15 wish you all the best as you pursue what you are
16 here today to do. So thank you guys so very much.
17 I appreciate it.

18 CHAIRMAN KOHN: Thank you for your
19 hospitality and for allowing us to be here.

20 MAYOR KATHY ROSE: You're certainly
21 welcome.

22 CHAIRMAN KOHN: Mayor Rose is early in
23 her life as a Mayor. This is only her 12th year.
24 If you will be here for another 12, we will come
25 back for another 12.

1 MAYOR KATHY ROSE: All right. You got
2 it.

3 CHAIRMAN KOHN: Also, before we begin
4 the meeting officially, I would like to ask Deputy
5 Director McGrail to come up, because we have a
6 special presentation.

7 DEPUTY DIRECTOR MCGRAIL: If I could
8 have Pat come forward. We started this a couple
9 years ago on behalf of Executive Director Seibert.
10 One of the things he wanted to make sure, that we
11 recognize the employees that work for the Missouri
12 Gaming Commission. They do a lot of good work.
13 It benefits not only the State, but it benefits
14 the industry as well. So today we have Pat
15 Robinette here. She has 10 years with this
16 organization, and we want to recognize her for
17 those 10 years.

18 I'm not going to read the whole, but it
19 is a Certificate of Appreciation on behalf of the
20 Executive Director Seibert and to Patricia
21 Robinette in recognition of the 10 years of
22 dedicated service with the Missouri Gaming
23 Commission. Again, we congratulate her for this
24 milestone, her effort and dedication play a
25 tremendous part in our success and appreciate her

1 commitment towards us.

2 Her role is for the compliance audit, so
3 she sees many of the faces here on a regular
4 basis. At least on the west side. I know that
5 you all take good care of her and her team. So
6 again, we appreciate you and appreciate the work
7 that she does as well. So Pat, this is for you.
8 (Applause.) Did you want to say anything Pat?

9 MS. PAT ROBINETTE: No.

10 CHAIRMAN KOHN: Do you want to run for
11 Mayor? Pat, on behalf of the Commission, we also
12 want to add not only our congratulations, but our
13 sincere gratitude for all the good work you do.

14 MS. PAT ROBINETTE: Thank you.

15 CHAIRMAN KOHN: With that, we will get
16 to the business of the meeting. The first item of
17 business is consideration of the minutes from the
18 May 31 meeting. Is there a motion to approve?

19 COMMISSIONER HALE: So moved.

20 COMMISSIONER LOMBARDO: Second.

21 CHAIRMAN KOHN: Angie, please call the
22 roll.

23 MS. FRANKS: Commissioner Lombardo.

24 COMMISSIONER LOMBARDO: Approve.

25 MS. FRANKS: Commissioner Neer.

1 COMMISSIONER NEER: Approve.

2 MS. FRANKS: Commissioner Hale.

3 COMMISSIONER HALE: Approve.

4 MS. FRANKS: Commissioner Jamison.

5 COMMISSIONER JAMISON: Approve.

6 MS. FRANKS: Chairman Kohn.

7 CHAIRMAN KOHN: Approve.

8 MS. FRANKS: By your vote you have
9 adopted the Minutes of the May 31st, 2017 meeting.

10 CHAIRMAN KOHN: You will note throughout
11 the meeting today that we are being organized by
12 Deputy Director McGrail. I should also announce
13 for those of you who weren't at the last meeting,
14 or may have forgotten, that our Executive Director
15 Bill Seibert had surgery and is recovering and is
16 doing fine, and hopefully he will be at the next
17 meeting. But in the meantime we are very happy to
18 have Deputy Director McGrail to tell us what we
19 are doing today.

20 DEPUTY DIRECTOR MCGRAIL: Mr. Chairman,
21 next we have the Consideration of Renewal of
22 Supplier's License, and Sergeant Mike Finnegan
23 will be making the presentation.

24 CHAIRMAN KOHN: Sergeant Finnegan.

25 SERGEANT FINNEGAN: Good morning, Mr.

1 Chairman and Commissioners. The Missouri State
2 Highway Patrol investigators, along with Missouri
3 Gaming Commission Financial Investigators
4 conducted the relicensing investigation of one
5 supplier company which is currently licensed in
6 the State of Missouri. This investigation
7 consisted of jurisdictional inquiries, feedback
8 from affected gaming company clients, a review of
9 disciplinary actions, litigation and business
10 credit profiles, as well as a review of key
11 persons associated with this company.

12 The results of this investigation were
13 provided to the Missouri Gaming Commission Staff
14 for their review, and you possess a comprehensive
15 summary report before you. Investigating officers
16 are present at this meeting to answer any
17 questions you may have. The following supplier
18 company is being presented for your consideration.
19 Tech Art Manufacturing, Incorporated.

20 CHAIRMAN KOHN: Okay. Are there any
21 questions of Sergeant Finnegan?

22 COMMISSIONER HALE: No.

23 COMMISSIONER LOMBARDO: No.

24 CHAIRMAN KOHN: If not. Is there a
25 motion to approve Resolution 17-035?

1 COMMISSIONER JAMISON: So moved.

2 COMMISSIONER LOMBARDO: Second.

3 CHAIRMAN KOHN: Any discussion on the
4 motion? Angie.

5 MS. FRANKS: Commissioner Lombardo.

6 COMMISSIONER LOMBARDO: Approve.

7 MS. FRANKS: Commissioner Neer.

8 COMMISSIONER NEER: Approve.

9 MS. FRANKS: Commissioner Hale.

10 COMMISSIONER HALE: Approve.

11 MS. FRANKS: Commissioner Jamison.

12 COMMISSIONER JAMISON: Approve.

13 MS. FRANKS: Chairman Kohn.

14 CHAIRMAN KOHN: Approve.

15 MS. FRANKS: By your vote you have
16 adopted Resolution Number 17-035.

17 CHAIRMAN KOHN: Mr. McGrail.

18 DEPUTY DIRECTOR MCGRAIL: The next item
19 of business is Consideration of Relicensure of
20 Class B. Licenses. I would like to introduce the
21 Executive Vice President and General Counsel for
22 Eldorado Resorts, Incorporated, Ed Quatmann, who
23 will be making additional introductions as well.

24 CHAIRMAN KOHN: Mr. Quatmann.

25 MR. QUATMANN: Chairman Kohn,

1 Commissioners, Deputy Director McGrail and
2 Commission Staff, good morning and thank you for
3 the opportunity to present a few brief comments to
4 you today on behalf of Eldorado Resorts, Inc. I
5 am Ed Quatmann. I am the Executive Vice President
6 and Chief Legal Officer for Eldorado Resorts, a
7 position I have held for about two months. Prior
8 to that for nine years I was the Chief Legal
9 Officer for Isle of Capri Casinos, headquartered
10 in St. Louis, Missouri. I am moving to Reno in
11 two weeks.

12 I am here today with a number of
13 Eldorado team members, including Barron Fuller, to
14 present information that will hopefully assist you
15 with consideration of renewals of the operating
16 licenses for three of Eldorado's Missouri
17 properties. While the focus today is on these
18 great Missouri properties, I wanted to provide a
19 brief update on the new parent company. Following
20 your approval in late April of Eldorado as a Class
21 A licensee of its transaction to acquire Isle of
22 Capri, the transaction closed successfully as
23 scheduled on May 1st. Numerous former corporate
24 employees, including myself and Barron Fuller,
25 joined Eldorado in connection with the

1 transaction. The numerous Isle corporate
2 employees that have joined Eldorado have enabled a
3 smooth transition thus far, with very few hiccups.
4 It is obviously still early and there's a lot to
5 do, but so far so good.

6 As a member of the executive team at
7 Eldorado, I can assure you that the Eldorado
8 corporate team is extremely focused on continuing
9 to provide exceptional guest experiences to the
10 patrons of our properties. Thank you again for
11 the opportunity to present to you today, and thank
12 you for the privilege of operating in Missouri.

13 I will now turn this over to Barron
14 Fuller, Senior Vice President of Regional
15 Operations. Thank you.

16 MR. FULLER: Good morning, Mr. Chairman
17 and Commissioners. Tim and Staff. As I said, my
18 name is Barron Fuller, Senior Vice President of
19 Regional Operations for Eldorado Resorts.
20 Fortunately, I get to remain in the State of
21 Missouri, so that is good news. I don't have to
22 relocate, so I am happy about that.

23 As Ed said, we are here for the
24 relicensing of three of our four properties in the
25 State of Missouri. We have a pretty extensive

1 agenda in front of us, so I will start by
2 introducing the three gentlemen that will present
3 to you today. Will you please stand as I announce
4 your name. Todd Steffen, Vice President, General
5 Manager of our Kansas City property. Ken
6 Ostempowski, Vice President and General Manager of
7 our Boonville property. And Tony Rohrer, Vice
8 President and General Manager of our
9 Caruthersville property.

10 I would also like to recognize Arthur
11 Milton Porter, The Third, who is a Senior Vice
12 President with Marks & Associates. Arthur and
13 Marks have been instrumental with helping us as
14 Isle of Capri early in 2013, and I was at
15 Eldorado, in developing our Vendor Diversity
16 Strategic Plan. So we go back to, when we opened
17 up Cape, we realized we needed that plan. So we
18 leaned on Marks for the help with that and
19 continue to utilize Arthur and the Marks
20 associates with the execution of that plan at our
21 four properties in the State of Missouri. And you
22 will hear some of that work in the presentations
23 today.

24 So with that, we will get going, and I
25 will now turn it over to Todd Steffen to talk

1 about the Kansas City property.

2 MR. STEFFEN: Mr. Chairman,
3 Commissioners and Staff, my name is Todd Steffen,
4 as Barron indicated. I am the Vice President
5 General Manager for the Kansas City property. I
6 have had the privilege to work in Missouri and the
7 Kansas City area for over five and a half years.
8 I greatly appreciate the opportunity to present
9 Isle of Capri Kansas City and its gaming facility
10 for renewal of its Class B license.

11 As you can see, many members of our
12 Kansas City team have joined me today. I will ask
13 them to stand and I will go ahead and introduce
14 them to you. Actually, I will introduce my direct
15 reports. I understand we have 15 minutes. Erika
16 Muldrew. Erika just recently got married,
17 Director of Marketing. Liz Janney, Director of
18 Human Resources. Tim Bollmann, Director of
19 Operations. And Jean Hanson, Senior Director of
20 Finance. Fred Doyle is over here, he is our
21 Director of Food and Beverage. And Heather Rapp
22 is Senior Director of Marketing for Kansas City.

23 Isle of Capri Kansas City has complied
24 with the terms of its agreement with Port K.C.
25 Andrea Young, Associate General Counsel from Port

1 K.C. will be introducing on behalf of the Port
2 immediately following this presentation.

3 Since inception, the total capital
4 investment for the property is equal to
5 approximately 107 million. In the past four
6 years, the property has made significant capital
7 investments in the infrastructure and property
8 itself. Overall 8.5 million has been spent for
9 the infrastructure, another 4.9 million on slot
10 millions. Over 5.2 million has been spent on
11 interior renovations, 2 million on exterior, and
12 1.1 million on mechanical, electrical and
13 plumbing. Most of the MEP capital has been spent
14 to improve our HVAC.

15 Here are some of the highlights of our
16 capital spending for the last four years. \$4
17 million was spent on a new buffet, called Farmers
18 Pick. \$491,000 on new casino carpet. \$570,000
19 interior upgrades, includes freshly new interior
20 paint, and new self-serve non-alcoholic beverage
21 centers, new players club, brand new slot and
22 table chairs and a new FF&E for table games.

23 As I indicated before, about a million
24 on HVAC upgrades. We have a remodeled event
25 space. Team member back-of-the-house

1 improvements, spent about \$100,000. And currently
2 we are in the process of painting and renovating
3 the exterior of the property. Some of those
4 photos show the improvements. That is the casino
5 interior with the new carpet and paint. Our new
6 Farmers Pick Buffet is at the entrance. Here is
7 an overview of Farmers Pick. A lot of these
8 changes took place in the last 18 months. We
9 opened up the Farmers Pick Buffet in December of
10 2016.

11 Here is the exterior of the barge or the
12 boat. The photo is a few weeks old, and we are
13 further along than the photo would suggest. So if
14 you drive by there today, most of that front
15 facade is completely painted, where the white is.

16 We have the privilege and ability to
17 have a state-of-the-art surveillance and security,
18 so we are able to partner with local law
19 enforcement to help them deter crime. Isle of
20 Capri Kansas City has taken a very active approach
21 to address issues that arise with the property.
22 This has resulted in a 16.2 percent reduction of
23 arrests at the property. At the bottom of the
24 slide are various crime incidents reported for the
25 divisions within Kansas City, and the increase

1 from 2015 to 2016 according to the Kansas City
2 P.D. annual report.

3 The property practices a strict
4 identification policy and provides training to its
5 employees at orientation to assist in the
6 detection of underage gamblers. Security
7 personnel are required to conduct quarterly
8 fraudulent identification training. Also, the
9 latest technology in Driver's License readers are
10 used at the gaming floor entrance to assist in
11 flagging underage patrons and invalid ID's. In
12 addition, the property implements an incentive
13 program, attends MGC led fraudulent I.D. detection
14 training, and uses a queuing line in order for the
15 security officer to have more time to properly
16 evaluate guests who appear to be under 35 years of
17 age. Approximately \$30,000 was paid to team
18 members for the incentive program from 2013
19 through 2016 for the detection of underage and
20 Disassociated Persons.

21 It is important that the Kansas City
22 Leadership Team is involved in the community and
23 leads by example with volunteering. We encourage
24 participation in various events related to
25 system-wide Community Aces programs coordinated by

1 our former parent company. From 2013 to 2016 Isle
2 of Capri Kansas City has contributed over 261,000
3 to charitable organizations.

4 We sponsor and donate to several
5 organizations. These are just a few of them. In
6 addition, our team members have logged over 5600
7 hours of volunteer time within their community.

8 Here are a couple photos of Kansas City
9 property volunteering. Here is Race For The Cure.
10 Adopt A Highway. We are responsible for cleaning
11 up and around I-29 and Front Street overpass. And
12 I also believe this helps with deterring crime by
13 removing some of the blight.

14 CHAIRMAN KOHN: Is that you I see in the
15 picture there?

16 MR. STEFFEN: Yes. I get my hands
17 dirty, yes. I will reserve comment. Thank you,
18 Mr. Chairman. Habitat is always a rewarding
19 experience. With this particular project, we
20 helped to revitalize an entire block in Kansas
21 City. If you notice the gentleman on the ladder,
22 that happens to be Mr. Tony Rohrer, who is now the
23 General Manager in Caruthersville. Before
24 transferring to Caruthersville, he worked as the
25 Director of Operations with Isle of Capri Kansas

1 City property. So I thought I would include him
2 in our presentation, too.

3 For Boss's Day, my team planned an event
4 to go sack some money into Harvesters. So this is
5 -- I am in the background, Mr. Chairman. It is
6 not a nice profile picture, but I am there.

7 For the past three years Isle of Capri
8 has an economic impact of approximately 75
9 million, as a result of gaming, sales, property,
10 and other taxes. During the same time period Isle
11 of Capri Kansas City paid out close to 47 million
12 in salaries, wages and benefits.

13 The economic impact from gaming taxes
14 for the City of Kansas City during their fiscal
15 year '16-17 is over 13 million. This contributes
16 to equipment, capital, maintenance and public
17 facilities.

18 Isle of Capri Kansas City continues to
19 put forth great effort in using Minority Owned
20 Business Enterprise and Women Owned Business
21 Enterprises. Isle of Capri Kansas City is
22 committed to support minority and women owned
23 businesses. The pursuit and development of MBE
24 and WBE sources is a priority. To aid in that
25 endeavor, Isle of Capri Kansas City is a member of

1 several local chambers, including the Heartland
2 Black Chamber of Commerce, the Hispanic Chamber of
3 Commerce of Greater Kansas City, and the Asian
4 American Chamber of Commerce.

5 Beyond membership, Isle Kansas City
6 sponsors and participates in various chamber
7 events to further promote Isle Kansas City's
8 involvement in the local community and create
9 opportunities to form and develop relationships
10 with other chamber businesses. In October of
11 2016, Isle Kansas City sponsored and hosted
12 Heartland's networking event focused on "How to do
13 Business with the Isle of Capri." On June 13th we
14 had a similar event with the Hispanic Chamber. We
15 had the pleasure of Cheryl Bonner and Rick Wilhoit
16 attending for that one.

17 Isle Kansas City has held on-property
18 meetings with leaders of various groups to better
19 understand and meet corresponding needs. Recent
20 meetings include the Hispanic Chamber in August of
21 2016 and March of 2017. Heartland Black Chamber,
22 and Mountain Plains Minority Supplier Development
23 in December of 2016. Also in 2016, December, Isle
24 Kansas City completed the remodel of the buffet
25 for which MBE and WBE vendors were utilized. The

1 rebranded buffet, Farmer's Pick, features locally
2 sourced, fresh products. In the implementation of
3 this concept, Isle Kansas City has fostered
4 relationships with a new MBE vendor and a WBE
5 vendor to supply produce and eggs. Respectively,
6 we are also working to provide assistance to
7 another minority individual seeking to establish a
8 produce business.

9 CHAIRMAN KOHN: Can I ask you about the
10 diversity chart. Two questions. One, on WBE, it
11 looks like there is a pretty significant drop-off
12 from '13 and '14 to '15.

13 MR. STEFFEN: Yes, Mr. Chairman.

14 CHAIRMAN KOHN: Let me ask my second
15 question. You can deal with both of them. Do you
16 have an MBE and WBE goal?

17 MR. STEFFEN: I'm sorry?

18 CHAIRMAN KOHN: Is there a goal that you
19 are trying to achieve? In MBE you are at 16
20 percent. Is that where you are trying to be?

21 MR. STEFFEN: I don't think we have a
22 set number. I think the goal is always to try to
23 do more, and always -- if it is an MBE goal or any
24 goal, we always try to do better than last year.
25 If it is a financial goal, we always try to do

1 better. That's what our goal is, is to do better
2 than the prior year and do as much as we can.

3 I think with Farmer's Pick, that opens
4 up a new concept with WBE and MBE vendors bringing
5 in. Business has also picked up. But we can
6 solicit smaller vendors and get some product in.
7 One of the Octoponics farm, Gray Taylor, he
8 introduced here in the last year in Kansas City.
9 We have been working with them and his staff to
10 bring in -- it is really an interesting concept, a
11 neat concept that he is doing in downtown Kansas
12 City. So we are trying to partner with them.

13 CHAIRMAN KOHN: So you were not able to
14 place the Star Group with another WBE vendor?

15 MR. STEFFEN: Not currently. However,
16 part of that lesser spend year over year with WBE
17 is a result of dropping crab legs from Scavuzzo's.
18 We have picked them back up in 2017. Scavuzzo's
19 is a WBE vendor. So we anticipate that number
20 going up in the next coming years. That is a
21 large portion of our food and beverage business is
22 crab legs. Also, in part of my presentation,
23 Scavuzzo's and a couple other of the minority
24 vendors are vendors that the Kansas City property
25 have developed. And Scavuzzo's is also being

1 used, and you will hear in the other
2 presentations, by Boonville and Caruthersville and
3 also Cape, who is not present today. So the
4 vendors that we have developed in Kansas City,
5 Barron has done an excellent job to bring them on
6 to other properties in the Isle of Capri Missouri.
7 At one time they were even looking at our Colorado
8 property to do business with. So it is beyond the
9 borders of Missouri.

10 COMMISSIONER HALE: I understand you are
11 using, is it Marks, the food and advertising
12 company?

13 MR. STEFFEN: Marks & Associates? They
14 help us create strategic alliance with some of the
15 MBE and WBE vendors out there.

16 COMMISSIONER HALE: Do they work just
17 with the Kansas City property or are they
18 associated with the other properties as well?

19 MR. STEFFEN: All four Missouri
20 properties.

21 COMMISSIONER HALE: All right. Thank
22 you.

23 MR. STEFFEN: You're welcome,
24 Commissioner. Isle of Kansas City actively seeks
25 potential vendors by means of various vendor fairs

1 and has participated in the Midwest Supplier
2 Diversity Fair in Kansas City and the one in St.
3 Louis and Procurement One-on-One. Isle of Kansas
4 City networks with other Missouri Isle properties,
5 as I stated earlier, as well as the purchasing
6 department of other Kansas City casinos to aid in
7 identification and promotion of MBE and WBE
8 vendors. Vendors discovered at the Kansas City
9 property are now being used at other Isle of Capri
10 properties. And Isle of Kansas City participates
11 in a conference call with the other Missouri Isle
12 properties for the sole purpose of discussing and
13 supporting growth of MBE and WBE vendors.

14 In addition, a list was developed and
15 shared of MBE and WBE vendors, including Kansas
16 City's website and the list developed by MGC with
17 Cheryl Bonner, and are used and shared as
18 resources to identify new vendors to continue with
19 that growth. Did I answer your question, Mr.
20 Chairman?

21 CHAIRMAN KOHN: You answered mine. Any
22 other questions? Tom, do you have any questions?

23 COMMISSIONER NEER: No.

24 MR. STEFFEN: At this time I will
25 introduce Ms. Andrea Young. She is an Associate

1 General Counsel with Port K.C.

2 MS. YOUNG: Good morning. I am here on
3 behalf of Port K.C. to express our partnership
4 with Isle of Capri and Eldorado. We work with
5 them on vendor acquisition. They, in our minds,
6 are good corporate citizens, as you saw in the
7 presentation.

8 We work with them on the new vendors and
9 we feel that they have done a very good job of
10 reaching out to people in the Kansas City
11 community as well as Missouri. I don't really
12 have much to say, other than we are very happy
13 with them. So if you have any specific questions,
14 I am happy to answer those at this time.

15 CHAIRMAN KOHN: Any questions of Ms.
16 Young?

17 COMMISSIONER HALE: No.

18 CHAIRMAN KOHN: Thank you very much.

19 MS. YOUNG: Thank you.

20 MR. STEFFEN: If you turned on the local
21 news -- thank you, Andrea -- the Port is very
22 busy. They have a few open houses and promoting
23 Berkley Park and some of the development that we
24 have been doing down there.

25 CHAIRMAN KOHN: Good development.

1 MR. STEFFEN: Yes. Can I entertain any
2 other questions? At this time I will introduce
3 Ken Ostempowski, who is Vice President and General
4 Manager for Boonville.

5 MR. OSTEMPOWSKI: Good morning,
6 Chairman, Commissioners, Staff. Before I get
7 started today, I would like to ask a couple
8 members of the Boonville staff to stand up so I
9 can introduce them here today. Ms. Heather Rapp
10 is our Senior Director of Marketing and
11 Hospitality. Ms. Jamie Ellingboe is our
12 Compliance and Risk Manager. And Ms. Andrea Boggs
13 is our Director of Finance.

14 While I have only been G.M. for just
15 under 60 days, I have been with the Isle of Capri
16 Boonville for over ten years. I am truly honored
17 today to present our summary package for
18 consideration for relicensure.

19 I am happy to report that the Isle of
20 Capri Boonville has fully complied with the
21 development agreement with the City of Boonville
22 and have an excellent partnership. You will hear
23 later from the staff from the City of Boonville.

24 In December of 2001 we opened up our
25 doors with a \$69 million investment. Our hotel

1 and event center opened up in 2006 with a \$17.5
2 million investment. Making sure that we keep the
3 property attractive, we constantly are investing
4 capital back into it. \$38.5 million in total over
5 the last several years.

6 I am going to go through several
7 renovation projects, which I will share with you
8 in images coming up. I want to say, we are also
9 looking to project to change our steakhouse and
10 our quick service restaurant to ensure that it is
11 renovated as well.

12 As I mentioned, in 2013 we renovated our
13 casino. We invested approximately \$2 million.
14 The lower image on the right-hand side is what it
15 looks like today.

16 In 2015 we renovated our hotel lobby,
17 ballroom, and all our hotel rooms. The total
18 investment of this project was just over \$5
19 million. And finally, we just completed a
20 renovation of our exterior, putting new paint, new
21 signage, as well as exterior lighting. I can now
22 honestly tell everyone that the Isle of Capri
23 Boonville is happy to say "Bye Bye Birdie." On
24 the right is what we look like today.

25 I am happy to report there has been no

1 significant crime at the Isle in Boonville, which
2 the Chief of Police is here and can attest to
3 later if you like. We continue to nurture a
4 relationship, not just with local law enforcement,
5 but with the State, to ensure that we provide a
6 great and wonderful environment.

7 Underage gaming is something that we
8 take very seriously at the Isle of Capri
9 Boonville. We ensure that anyone that appears to
10 be under the age of 35 is properly ID'd. If you
11 look at the image, the two podiums that were
12 installed in the last few years include electronic
13 identification checkers. So if somebody has a
14 fraudulent ID, it will identify it, not just for
15 ID's but for passports as well.

16 All of our employees receive regular
17 training. We work with the local Missouri Gaming
18 Commission officers to ensure all of the security
19 people receive fraudulent identification training.
20 In addition to that, all of our customer facing
21 personnel receive training to ensure that they are
22 identifying ID's.

23 The Bounty Hunter program that we have
24 in Boonville allows us to reward those employees
25 who identify an underage attempting to board.

1 Moving on to problem gaming. We are an
2 active member of Missouri Alliance to Curb Problem
3 Gaming. We conduct Compulsive Gaming Training on
4 an annual basis for all employees. We participate
5 in Responsible Gaming Week. It is not just
6 putting out posters, we ensure that we engage our
7 employees, participate in games and activities to
8 ensure that they understand the ports.

9 We include the 1-888-BETS-OFF number on
10 all of our materials and promote the State DAP
11 Program. And similar to underage gaming, we have
12 a Bounty Hunter Program that allows us to reward
13 team members who identify a DAP on the floor with
14 a \$100 bonus in their paychecks.

15 I am proud to say that the Isle of Capri
16 Boonville is very active in charitable giving.
17 Over the last licensure period we have
18 donated in excess of \$332,000 to various
19 organizations throughout the State, a few of which
20 we have listed here below.

21 A few worth pointing out, they are just
22 very, very recent. In the upper left-hand corner
23 is a donation to Boonville Harvest House, which is
24 a home that helps battered women. In the lower
25 left-hand corner is an image of the Boonville

1 YMCA. And most recently we have just made a
2 \$20,000 donation to this Boonville Animal Shelter.

3 It is not just financial support that
4 the Isle of Capri team members participate in, it
5 is also volunteering in our community. Our team
6 members are very, very passionate about
7 participation. It is something we talk about
8 every single day. I am proud to report over the
9 relicensing period, we had over 8,000 hours of
10 volunteer work. There are several different
11 organizations I can tell you about that we
12 participated in, but one in particular I want to
13 point out, and we have an image of it here, is our
14 participation in the Missouri Veterans History
15 Project. As you all know, State Representative
16 Jill Schupp in 2011 brought the Missouri Veterans
17 History Project in coordination with the Federal
18 program, that takes Veterans' stories and records
19 them. It is their voice telling the history of
20 our country. It allows us to really understand
21 what they went through.

22 In the image, Kurt Klingler, he is an
23 assistant analyst at our property. He is very
24 active in the program and received a commendation
25 from the Lieutenant Governor this past year. It

1 is also worth noting that Kirk received the Isle
2 of Capri's Community Aces of the Year Award. This
3 isn't just an award from the Isle of Capri
4 Boonville, he is up against thousands of employees
5 nationwide who volunteer, and he was selected.
6 You have the report. He makes his home in
7 Boonville.

8 Here is a collage of all of the
9 volunteer hours. You are welcome to do a "Where
10 is Waldo?" "Where is my picture with Todd?" We
11 won't do that. We are very proud of our employees
12 as they continue to participate.

13 Moving on to Economic Impact. We have
14 gaming sales and property taxes that we contribute
15 over the relicensing period in excess of 86
16 million. Approximately 8 million is going to the
17 local home dock. Our team members, approximately
18 450 of them, have earned salaries and wages in
19 excess of \$36 million. We have paid them benefits
20 in excess of \$15 million.

21 Moving onto Employment Demographics. I
22 am proud to say that our minority employment, the
23 Boonville percentage of employment exceeds the
24 local county standards, as reported by the U.S.
25 Census Bureau. Another thing to point out, and

1 this is with all the Isle of Capri properties, is
2 we have an upward mobility program. What that
3 does, is allows those employees who may not have
4 had a whole lot of education, to take that
5 opportunity to learn about leadership, to learn
6 about being better employees and being better
7 citizens. When there are promotion opportunities,
8 this upward mobility program helps these employees
9 have a leg up, so that they can truly understand
10 how to be a leader in our community.

11 Moving on to Vendor Diversity. From
12 2013 to 2016 we had a 100 percent increase in our
13 minority purchasing. And as you can see, we
14 continue to show growth. I want to point out that
15 2013 probably jumps out to you. We had a spike in
16 our purchasing, specifically related to, we lost
17 power to our infrastructure, which was some dark
18 days -- no pun intended -- that we had to deal
19 with as a result of everything just shutting down.
20 The contractor who helped us replace that
21 infrastructure was a women owned business.

22 Vendor Diversity in procurement is part
23 of our culture, as you heard clearly from Todd.
24 As a result, I think it is worth noting some
25 additional points. As Todd indicated, we do

1 attend regular calls with the Missouri properties
2 on a monthly basis to talk about vendor sharing,
3 to make sure we have communication with all the
4 properties. We have a continued focus on
5 diversity, as far as going to vendor fairs and
6 councils, attending individual meetings. When Ms.
7 Cheryl Bonner comes up and shares her reports with
8 you, if you flip to Boonville, and you look at the
9 last couple pages, there are over two pages of all
10 the different program participation and all the
11 different things. We happen to have it in the
12 licensing materials. We are very proud of it.
13 Cheryl, I'm sure she will share with you, that I
14 think it is a good list. We are doing it to
15 ensure that we are inclusive.

16 And finally, certainly not least, the
17 Isle of Capri does operate under a Diversity
18 Strategic Plan, a copy which is in your licensing
19 materials as well.

20 Before I ask for questions from anyone,
21 I thought I would take a moment and introduce
22 members of the community from the City of
23 Boonville. If they will stand for a moment. Our
24 Mayor Julie Thatcher. The City Administrator Irl
25 Tessendorf. And our Chief of Police Bob Welliver.

1 I believe Irl would like to share a few thoughts
2 regarding our property.

3 MR. TESSENDORF: Thank you, Ken. As Ken
4 said, my name is Irl Tessendorf, I am the City
5 Administrator of Boonville. I would initially
6 affirm Ken's comments about the compliance. We
7 consider the Isle to be fully in compliance with
8 the agreement that they have with the City. A
9 couple other observations I would like to make,
10 that the City immensely appreciates, is the
11 stability of the management staff has been very
12 comforting and very good over the last probably 10
13 years, since I have been in this position there.
14 We were very happy when Barron moved on to his
15 promotion and that Ken was promoted to take over
16 there, as we had a very good working relationship
17 with him.

18 The level of communication between the
19 City and the members of the Isle management team
20 is also excellent, as is the accessibility. We
21 don't necessarily communicate daily, but when one
22 of us needs something from the other party, the
23 lines are always open and the responsiveness is
24 always there.

25 Just a couple other comments on the

1 benefit of the property for the community.
2 Obviously Ken gave you some statistics on that.
3 In a rural setting that Boonville is, the level of
4 employment offered there can't be overstated.
5 Some of the challenges that rural areas have had
6 in the last ten years. So we are highly
7 appreciative of that. Obviously, their
8 philanthropic endeavors are appreciated.

9 The last item that Ken mentioned about
10 the recent donation to the animal shelter. That
11 had been a fund raising effort that had been going
12 on in the community for a year and a half,
13 probably. They have had some success, but the
14 Isle's donation has functioned as a catalyst.
15 That goal was probably down to less than \$500 to
16 meet the target. So we are very pleased with the
17 casino there and their staff and their operations.
18 We are fully supportive of their renewal. If
19 anyone has any questions, I would be happy to
20 respond.

21 CHAIRMAN KOHN: Any questions? Mayor,
22 anything to add?

23 MAYOR JULIE THATCHER: No. We are very
24 pleased with the Isle of Capri or Eldorado. We
25 are going to call them by their new name. I can't

1 say enough good things about them. They just
2 really have stepped up. Any time we have a
3 problem or they have a problem, I would like to
4 think that we help them out also. So we have a
5 very good relationship with them.

6 CHAIRMAN KOHN: Thank you.

7 MAYOR JULIE THATCHER: Thank you.

8 MR. OSTEMPOWSKI: We are very lucky to
9 be partners with them. At this point I would be
10 happy to entertain any further questions you may
11 have.

12 CHAIRMAN KOHN: No. Thank you.

13 MR. OSTEMPOWSKI: Thank you. At this
14 time I would like to introduce Mr. Tony Rohrer,
15 who is the Vice President and General Manager for
16 the Lady Luck in Caruthersville.

17 MR. ROHRER: Good morning, Mr. Chairman,
18 Commissioners, Deputy Director McGrail and Staff.
19 As Ken said, my name is Tony Rohrer. I am the
20 Vice President and General Manager of Lady Luck in
21 Caruthersville. And I thank you for the
22 opportunity this morning to speak on their behalf.
23 I will get right into this.

24 Our development agreement with the City
25 of Caruthersville. We complied with the terms of

1 the development agreement, and we continue to this
2 day to provide ongoing support through monetary
3 contributions and volunteer opportunities for
4 projects within the City of Caruthersville and
5 surrounding communities.

6 To date, initial investment purchase,
7 rebranding and remodeling and then continued
8 maintenance capital that we have spent at the
9 property for a total of approximately \$58 million
10 to date. Much of that capital -- this is our
11 pavilion as you enter the property. This is on
12 the non-river side of the flood wall. This is
13 where our restaurants are located. We continue to
14 invest in improvements and maintenance issues with
15 that property, with that part of the building.

16 The majority of our capital is going
17 into the river side of the flood wall. We have
18 added additional driveways through the flood wall
19 to get to the back of the property, with
20 additional parking lots, for better and more
21 convenient access for our customers to get to the
22 property. It has been a big impact. We added
23 about 216 spaces on the river side of the flood
24 wall, which has been a really nice customer
25 service impact for us. It is working very well,

1 other than when it floods. We lost a few of those
2 spots this year with the flood. It really
3 dramatically changes the way that we are forced to
4 operate, but all in all a very positive story
5 there.

6 Additional capital continues to be spent
7 within the casino, upgrading our gaming product.
8 The Isle of Capri had a very aggressive gaming
9 schedule with those upgrades, and it appears that
10 that will continue with Eldorado. So we are proud
11 of the changes that have been made at the
12 property, and we are looking forward to those
13 continued investments.

14 A couple small projects. I'm not going
15 to go through all of them with you. A couple nice
16 ones. There was a Main Cage remodel, and the
17 Video Poker Bar remodel. We took a couple areas
18 that looked basically like snapshots from "That
19 70's Show" and kind of upgraded them a little bit.
20 Created a little better environment that is more
21 comfortable for our customers.

22 I struggled with this slide. I saw
23 this, and I really racked my brain trying to think
24 of items to put in here for criminal activity. I
25 went to our Boat Sergeant Carissa Goins and asked

1 for her help in trying to identify any significant
2 activity that we might want to report to you. We
3 were unable to come up with anything. So I guess
4 that's a good story. I am really happy to
5 announce.

6 CHAIRMAN KOHN: You want to borrow some
7 from Kansas City?

8 MR. ROHRER: We're very fortunate to
9 operate in a community that has a very low crime
10 activity and is relatively safe. We have some
11 counterfeiters once in a while. We have a few
12 warrants that show up from time to time, but
13 really a very safe environment. We are very
14 fortunate to operate in. So I'm sorry there's not
15 more information on that slide, but that is
16 actually a good story.

17 CHAIRMAN KOHN: That's okay.

18 MR. ROHRER: Our underage gaming
19 efforts, much like you heard from the other
20 properties. We all have similar policies in
21 place. We use an electronic identification system
22 to scan the ID's and make sure they are not
23 counterfeit. We have TIPS training for Team
24 Members at new hire orientation and Underage
25 Gaming Training as well. We partner with the

1 local MGC and do annual Fraudulent Identification
2 Training that is mandatory for all security and
3 voluntary for other employees.

4 Semi-annual testing, which is going to
5 quarterly this year, for all security personnel on
6 I.D. identification. We also utilize the same
7 Bounty Program that you heard from the other two
8 properties. If we have an employee that
9 identifies an underage patron and prevents them
10 from entrance, or if it happened to be something
11 that did get through and we catch them, they are
12 rewarded with \$100.

13 We redesigned the main entrance security
14 checkpoint for better customer evaluation. It
15 doesn't seem like much, but simply relocating the
16 podium to have a better vantage point for the
17 security officers to evaluate the customers as
18 they are coming in, evaluate them for underage
19 purposes, for intoxic purposes, it has helped out.
20 We have better identified entrance and exit
21 points, so that we can kind of steer the traffic
22 and create a little more of an organized entrance
23 and exit to the property. That has been helpful
24 as well. So those efforts prevent underage and
25 intoxicated entrance, are certainly a top priority

1 for our property and will continue to be so.

2 CHAIRMAN KOHN: Yesterday we saw -- what
3 was the name of the system we saw?

4 DEPUTY DIRECTOR MCGRAIL: Veridocs.

5 CHAIRMAN KOHN: Veridocs. Do you use
6 that?

7 MR. ROHRER: No, we use -- I believe it
8 is called I.D. Tech. It is a different system.
9 Does one of our properties use Veridocs?

10 MR. STEFFEN: We use Veridocs, yes.

11 MR. ROHRER: We do use a system that
12 helps identify, it is just different from the
13 other two at the moment. And over the past four
14 years, I guess this was an interesting side note.
15 Security at that podium has checked over 115,000
16 ID's. That is quite a few. That number adds up.
17 They have refused admittance to over 2,000 of
18 those for various reasons. Those are big numbers
19 and I feel confident that they are really doing
20 their job in trying to keep the underage patrons
21 out of the casino.

22 We will talk about charitable
23 contributions. There we go. To date, Lady Luck
24 Caruthersville has contributed \$51,811 in cash
25 donations to charitable organizations. And I am

1 sorry, that is from 2014 to 2017. If you will
2 notice on that slide, 2015 we had a little over
3 \$11,000. And the check that they are holding that
4 is dated 2015 in and of itself is \$15,000. So not
5 only are we contributing at a property level, we
6 also have corporate initiatives as well. We had a
7 contest for all of our different markets. It was
8 fun. We voted for different charities and
9 organizations, and those that got the most votes
10 were awarded cash donations. We were in the
11 smaller market. We won that market. We were able
12 to donate \$15,000 to the local Animal Welfare
13 Society. So that was a feel-good for the
14 property.

15 In addition to the donations, since 2012
16 Lady Luck Caruthersville Community Aces have
17 volunteered over 10,750 hours of service in
18 Caruthersville and the surrounding communities in
19 which we live and work. Some of the organizations
20 that we work with, some of their locals right
21 there, Missouri Department of Social Services,
22 Pemiscot Animal Welfare Society, and some others.
23 I am not going to go through and name them all.
24 Those are a few of them, certainly not all of
25 them. There are some very prominent names up

1 there and we are proud to be associated with them.

2 A slide of some of our activity. Our
3 Community Aces out doing their work. At the top
4 left, we had a big toy drive this past Christmas
5 season. Several hundred toys that we put
6 together. And that's important to note, it is not
7 just about the money that we contribute from the
8 property itself. We have toy drives, we have
9 donations, we have different events to try to
10 raise money that we donate to communities as well.
11 So there is clothing, there is food, there is
12 toys. There is a lot of effort that goes into
13 those donations. It doesn't always show up on the
14 cash side.

15 Our Community Services Road Work. The
16 Adopt A Highway Program and the Kenny Rogers
17 Association, the bottom left. We are all wearing
18 funny red noses. That was a fun day. A
19 construction crew that we put together for the
20 Humane Society. While they did good work, I would
21 recommend that we don't hire them to do any jobs
22 in our homes and our businesses. And then the
23 lemonade stand. All real fun events that we have
24 at the casino and surrounding areas that have a
25 big impact in the community.

1 Some of the organizations that we are
2 affiliated with, there are just a few. We are in
3 a small community. There are a lot of small
4 cities around us, and we are members of all of the
5 various Chambers of Commerce for the cities. A
6 member of the Kiwanis, the Rotary, Lions Club,
7 Caruthersville Arts Society and several others.
8 Those are just a few. It is very important for us
9 as well to be involved in the community in that
10 way.

11 Next slide. I am kind of proud of this
12 one. Caruthersville Mayor Mike McGraw, who will
13 be speaking here in just a moment, proclaiming
14 April 25th, 2017, as Lady Luck Casino Appreciation
15 Day. Conversely, that was a 22-year anniversary
16 of riverboat gaming in Caruthersville. So that
17 was a nice event. We appreciate the Mayor doing
18 that for the property.

19 Economic impact on the home dock.
20 Gaming sales and property taxes, \$30.3 million.
21 Salaries and wages and benefits about \$34 million
22 in this time period.

23 So I would like to introduce to all of
24 you, to speak about the economic impact on
25 Caruthersville, Mayor Mike McGraw.

1 MAYOR MIKE MCGRAW: Good morning,
2 Chairman, Commissioners and Staff. My name is
3 Mike McGraw, Mayor of Caruthersville. In my first
4 term as Mayor. My background is, I was born in
5 Springfield, Missouri. I have lived in
6 Caruthersville twice, once as an infant to age 5,
7 and then back to Springfield until age 11. In
8 1961 we moved back to Caruthersville. My
9 education, I attended Springfield Public Schools
10 for five years, Caruthersville Public Schools for
11 seven years, and I graduated in 1968. I went to
12 Drury in Springfield, and then I went to Cape
13 Girardeau for school in 1969. And then to Central
14 Missouri State in Warrensburg in 1970. And I
15 graduated in 1973 with a Bachelor of Science in
16 Education, with a Major in Biology and Earth
17 Science. My jobs have been varied, and include
18 working in a funeral home, a hospital, and a high
19 school science teacher for 11 years, and a
20 businessman for 30 years selling commercial
21 insurance. And now I'm Mayor.

22 Caruthersville was the fifth casino in
23 the State of 13 casinos. Missouri in 1992 passed
24 riverboat gaming. In 1993, as just a citizen, I
25 ran a campaign for passage in Caruthersville. I

1 saw it as the only means of improving our local
2 economy. In hindsight, I hate to think where our
3 town would be, had not two-thirds of the people
4 had the exact same foresight and vision. It is
5 estimated that our city has received \$40 million
6 from the casino. And it has been good for the
7 State, helping to fund education and local
8 governments.

9 As can you see from this slide, we have
10 got all kinds of new equipment. Dump trucks, snow
11 removal equipment, weight room equipment,
12 infrastructure improvements, tractors for mowing
13 grass, additional police. And we operate a
14 superior parks and recreation center and library.
15 As the Mayor and a citizen of this State, I think
16 it is imperative that the State and Gaming
17 Commission continue to improve and protect this
18 vital revenue stream.

19 With that thought in mind, the casinos
20 are all located on either the Missouri or
21 Mississippi rivers. Caruthersville is 90 miles
22 south of the Cape. The Cape is on the upper
23 Mississippi, while Caruthersville is on the lower
24 Mississippi. The division between the upper and
25 lower Mississippi is where the Ohio River meets

1 the Mississippi. In 2007 Lady Luck was forced to
2 close for ten days, when the river crested at 47.7
3 feet. My estimate is our town lost \$50,000. The
4 State probably lost \$250,000.

5 This year we had, as the Corps of
6 Engineers described, a non-event, when the river
7 crested at only 39.4 feet. To me, just as the
8 actual cruising rule was relaxed, the requirement
9 of being on the water should also be relaxed. It
10 is just good business for the State and local
11 economies. Flooding is inevitable. It is just
12 prudent to protect this vital revenue stream.
13 Thank you.

14 CHAIRMAN KOHN: Thank you very much, Mr.
15 Mayor.

16 MR. ROHRER: Thank you, Mayor. Vendor
17 Diversity. 2013 to '16, you can see the results
18 on the chart there. I think it is important to
19 note, there was a question brought up earlier in
20 the meeting, asked Todd from Kansas City, about
21 the impact of the Star Group. You may have
22 mentioned it, but we didn't drop the Star Group.
23 They went out of business suddenly, and it
24 affected all of our properties. That was a
25 significant WBE spend that we lost there.

1 For Caruthersville itself, since that
2 happened, we took that impact, we have had five
3 straight quarters of WBE growth. So we are
4 working to build that number back up. Most
5 recently we were able to capitalize on the
6 corporate initiative that was already in place
7 with Kansas City, Boonville and Cape, utilizing
8 Scavuzzo's for some of the food purchases and
9 deliveries. I believe if we didn't have that in
10 place with the other properties, we wouldn't have
11 been able to capitalize on it. So Scavuzzo's
12 finally agreed to start delivering to
13 Caruthersville, because they go right by us on
14 their way to Memphis. If we didn't have that
15 relationship, I don't think that would have
16 happened.

17 You asked the question earlier,
18 Chairman, about what is the goal. And I think if
19 you look at that MBE chart, that is my goal, it is
20 continued improvement year over year, just to
21 continue to get better, find more opportunities to
22 invest. We will just keep working it. We don't
23 have a hard number.

24 CHAIRMAN KOHN: Do you know what, in '15
25 or '16, what the state MBE percentage is in the

1 general area of Caruthersville?

2 MR. ROHRER: Like in our area of
3 Caruthersville? I do not. I do not have that
4 information. I can certainly find it out and get
5 back to you.

6 So really to summarize this slide. And
7 really, just to summarize with all of the
8 properties. MBE and WBE opportunities continue to
9 be at the forefront of every project bidding
10 process and every purchasing opportunity that we
11 have. It was a very high priority with the Isle
12 of Capri. It will continue with Eldorado. We
13 expect those efforts to get better and continue to
14 show good results and growth. And that's the end
15 of my presentation. Thank you. Do you have any
16 questions?

17 COMMISSIONER LOMBARDO: We heard about
18 the flooding. I am from up here in Kansas City,
19 so I have to say I wasn't all that aware of it.
20 How did that affect your business? Did you all
21 have to close or sustain property damage?

22 MR. ROHRER: No, we didn't. The
23 property was actually built to sustain a certain
24 flood level. While it certainly did impact
25 operations. We had to raise the bridge that goes

1 out to the vessel on the land side, which is quite
2 a process. It was my first year to experience
3 about a ten-hour process to raise that bridge and
4 change the flow of the patrons going into the
5 casino. It does impact operations. We were able
6 to stay open, but it is not the greatest scenario
7 for the customers to get to the casino. It is a
8 lot of walking outside. If there is weather,
9 obviously they are subject to that. So there is
10 an impact there.

11 And then one of the hardest things we
12 fought was the impression from the public that we
13 were closed. We were having to put out
14 information in social media, letting them know
15 that we were still open. We definitely took an
16 impact just from the water being the level it was.
17 It was an interesting --

18 COMMISSIONER LOMBARDO: I'll bet.

19 MR. ROHRER: -- experience for sure.

20 CHAIRMAN KOHN: Anything else? Any
21 other questions? Is there anyone here from the
22 public that would like to talk about any of the
23 three applications? Okay. Mr. McGrail.

24 DEPUTY DIRECTOR MCGRAIL: Mr. Chairman,
25 we are ready for the Investigative Summary.

1 Again, Sergeant Mike Finnegan will be making the
2 presentation.

3 SERGEANT FINNEGAN: Good morning, Mr.
4 Chairman and Commissioners. Eldorado Resorts,
5 Incorporated is a Class A Licensee associated with
6 the Isle of Capri Casinos of Missouri. Eldorado
7 Resorts, Incorporated, and its three associated
8 key business entities were licensed by the
9 Missouri Gaming Commission on April 26th, 2017.
10 Therefore, a Renewal Investigation of the Class A
11 Licensee is not required at this time.

12 Missouri Gaming Commission financial
13 investigators and members of the Missouri State
14 Highway Patrol were tasked with conducting
15 investigations on Isle of Capri Kansas City,
16 Incorporated; Isle of Capri Boonville,
17 Incorporated; and Isle of Capri Caruthersville,
18 LLC for the purpose of assisting the Missouri
19 Gaming Commission in determining each casino's
20 suitability for Class B relicensure in the State
21 of Missouri. A detailed company profile was
22 created by investigators to perform comprehensive
23 financial analysis, conducted site inspections,
24 interviewed company representatives, confirmed
25 appropriate insurance coverages, ensured the

1 payment of taxes, contacted law enforcement
2 officials and reviewed litigation history. All
3 investigative findings were provided to the
4 Missouri Gaming Commission Staff for their review
5 and investigators are present at this hearing and
6 would be happy to entertain any questions you
7 might have. Thank you.

8 CHAIRMAN KOHN: Thank you. Any
9 questions of Sergeant Finnegan?

10 COMMISSIONER HALE: No, sir.

11 COMMISSIONER LOMBARDO: No, sir.

12 COMMISSIONER NEER: No, sir.

13 DEPUTY DIRECTOR MCGRAIL: Mr. Chairman,
14 we will have now Ms. Cheryl Bonner, and she will
15 present the MBE/WBE Compliance Review.

16 MS. BONNER: Good morning, Mr. Chairman
17 and Commissioners. In February, March and April
18 of 2017 the Missouri Gaming Commission staff
19 conducted 100 percent audits of the MBE/WBE
20 records for the Class B licensees, Isle of Capri
21 Boonville, Caruthersville and Kansas City casinos.
22 The results of our audit and specific details
23 related to those findings are contained within the
24 Summary Report in your possession.

25 CHAIRMAN KOHN: Any questions of Ms.

1 Bonner?

2 COMMISSIONER HALE: If I may, Mr.
3 Chairman. Ms. Bonner, if my memory serves me
4 correctly, and it may not. Nonetheless, there
5 were some discussions, I guess, with
6 representatives I guess from Eldorado in April
7 thereabouts of this year? Okay. In any event, at
8 that time representatives of Eldorado had given
9 something in the nature of assurances that they
10 were willing to work with you in efforts to
11 improve their MBE/WBE numbers. My understanding
12 is that they have been forthcoming in that regard
13 and been very cooperative?

14 MS. BONNER: Yes, sir. That is correct.

15 COMMISSIONER HALE: Okay. I just wanted
16 to be sure. That, in my mind, particularly with
17 regard to Caruthersville and Boonville, that is
18 commendable. I just want to make mention of that.
19 There was a commitment made, as I told you, when
20 Eldorado appeared in April. It appears that that
21 commitment was taken seriously and I do appreciate
22 that.

23 MS. BONNER: The one thing I would like
24 to note about the Isle of Capri at Caruthersville.
25 When they had the drop-off of the Star Group for

1 2016, their numbers that were submitted for the
2 first quarter of 2017 have doubled so far. And
3 let me note that those numbers have not been
4 audited. However, their numbers that they have
5 submitted for the first quarter only doubled the
6 whole year of 2016, and I just wanted to note
7 that.

8 CHAIRMAN KOHN: So you wouldn't be
9 making your prior recommendation if you weren't
10 staffed with both the numbers that are existing
11 and the progress of these casinos?

12 MS. BONNER: That is correct.

13 CHAIRMAN KOHN: You are satisfied?

14 MS. BONNER: I am satisfied with their
15 efforts.

16 CHAIRMAN KOHN: Any other questions?

17 COMMISSIONER HALE: I have none.

18 CHAIRMAN KOHN: Thank you very much.

19 Mr. McGrail, what is staff's recommendation?

20 DEPUTY DIRECTOR MCGRAIL: We recommend
21 your approval for all three of these casinos.

22 CHAIRMAN KOHN: Any other questions from
23 the Commission?

24 COMMISSIONER LOMBARDO: No.

25 COMMISSIONER HALE: No, sir.

1 CHAIRMAN KOHN: Then we are ready to
2 move on the three resolutions. We will vote on
3 them separately. Is there a motion to approve
4 Resolution 17-036?

5 COMMISSIONER LOMBARDO: Motion to
6 approve.

7 COMMISSIONER JAMISON: Second.

8 CHAIRMAN KOHN: Any discussion on that?
9 Angie.

10 MS. FRANKS: Commissioner Lombardo.

11 COMMISSIONER LOMBARDO: Approve.

12 MS. FRANKS: Commissioner Neer.

13 COMMISSIONER NEER: Approve.

14 MS. FRANKS: Commissioner Hale.

15 COMMISSIONER HALE: Approve.

16 MS. FRANKS: Commissioner Jamison.

17 COMMISSIONER JAMISON: Approve.

18 MS. FRANKS: Chairman Kohn.

19 CHAIRMAN KOHN: Approve.

20 MS. FRANKS: By your vote you have
21 adopted Resolution Number 17-036.

22 CHAIRMAN KOHN: Is there a motion with
23 respect to Resolution Number 17-037?

24 COMMISSIONER JAMISON: So moved.

25 COMMISSIONER HALE: Second.

1 CHAIRMAN KOHN: Discussion on the
2 motion? Angie.

3 MS. FRANKS: Commissioner Lombardo.

4 COMMISSIONER LOMBARDO: Approve.

5 MS. FRANKS: Commissioner Neer.

6 COMMISSIONER NEER: Approve.

7 MS. FRANKS: Commissioner Hale.

8 COMMISSIONER HALE: Approve.

9 MS. FRANKS: Commissioner Jamison.

10 COMMISSIONER JAMISON: Approve.

11 MS. FRANKS: Chairman Kohn.

12 CHAIRMAN KOHN: Approve.

13 MS. FRANKS: By your vote you have
14 adopted Resolution Number 17-037.

15 CHAIRMAN KOHN: Is there a motion with
16 respect to Resolution Number 17-038.

17 COMMISSIONER HALE: Move for adoption of
18 Resolution Number 17-038.

19 COMMISSIONER LOMBARDO: Second.

20 CHAIRMAN KOHN: Any discussion on that
21 motion? Angie.

22 MS. FRANKS: Commissioner Lombardo.

23 COMMISSIONER LOMBARDO: Approve.

24 MS. FRANKS: Commissioner Neer.

25 COMMISSIONER NEER: Approve.

1 MS. FRANKS: Commissioner Hale.

2 COMMISSIONER HALE: Approve.

3 MS. FRANKS: Commissioner Jamison.

4 COMMISSIONER JAMISON: Approve.

5 MS. FRANKS: Chairman Kohn.

6 CHAIRMAN KOHN: Approve.

7 MS. FRANKS: By your vote you have
8 adopted Resolution Number 17-038.

9 DEPUTY DIRECTOR MCGRAIL: Next on the
10 Agenda is the consideration of Disciplinary
11 Action. And Mr. Ed Grewach will be making the
12 presentation.

13 MR. GREWACH: Thank you, Deputy Director
14 McGrail. Mr. Chairman, Commissioners. Under Tab
15 F. we have a Preliminary Order of Discipline
16 directed to the Hollywood Casino St. Louis for a
17 failure to pay tournament prizes according to
18 their rules, which is a violation of our Rule 5.
19 180 Paragraph 3 Subparagraph E. This property was
20 holding poker tournaments on a daily basis during
21 the months of November, December of 2016, and
22 during the month of January in 2017.

23 Now these tournaments would be conducted
24 where the patrons would pay a buy-in fee. They
25 would receive non-valued chips. And then at the

1 end of the tournament, depending on the amount of
2 chips that you have, that's what place you would
3 place in the tournament. Then at that point in
4 time, according to the tournament rules, your
5 prize money would be determined by your placement.
6 They had also, as the rule requires, filed their
7 rules with us in advance of the poker tournament.

8 The Commission's Tax Section found, in
9 reviewing the paperwork they submitted on the
10 tournaments, that on November the 6th and November
11 the 10th, that the property paid incorrect amounts
12 to winners in violation of the rule. In
13 investigating the matter, the supervisor of that
14 area claimed responsibility. We then sent, on
15 December 28, 2016, correspondence to the property,
16 warning them that future violations would result
17 in a fine.

18 When we reviewed the January submissions
19 that the property made for their poker
20 tournaments, we found that the incorrect amounts
21 were awarded for prizes on the gaming days of
22 January the 8th, 14th, and 16th. Now, these
23 incorrect payments resulted in 21 patrons being
24 overpaid a total of \$2,110. 31 patrons being
25 underpaid a total of \$2,110.

1 The property again indicated it was an
2 error in the supervisor not inputting the proper
3 entries into the computer system they used to
4 calculate the prize payouts. The reaction of the
5 property was not to seek refunds for the
6 overpayments, but to place the underpayments into
7 safekeeping. Then they made phone calls to the
8 players who were underpaid, indicating to them
9 that that money was in safekeeping. The
10 recommended fine by the Commission Staff is
11 \$2,500.

12 CHAIRMAN KOHN: Questions?

13 COMMISSIONER JAMISON: So the \$2,100 was
14 reimbursed to the 31 -- or attempted to be
15 reimbursed to the 31 patrons that were underpaid.
16 They didn't take money back from the 21 patrons
17 that got overpaid.

18 MR. GREWACH: That is correct.

19 COMMISSIONER JAMISON: But the first
20 offense, it wasn't the same kind of offense. They
21 just miscalculated, and then they got a notice
22 from the Gaming Commission that they needed to get
23 that corrected. And then the second offense
24 occurred because they still had -- they made a
25 similar kind of error in calculation?

1 MR. GREWACH: A similar type of error.
2 As you can see, the first offense it was basically
3 two relatively small programs.

4 COMMISSIONER JAMISON: But they were at
5 least aware that they needed to pay closer
6 attention to their calculation process, before
7 they made the event that occurred in December and
8 January?

9 MR. GREWACH: That is correct.

10 COMMISSIONER JAMISON: Okay.

11 CHAIRMAN KOHN: Other questions?

12 COMMISSIONER LOMBARDO: Ed, you've got
13 two similar cases here, which to me appear to be
14 slightly different. In the sense that, the
15 similar cases involved not submitting tournament
16 rules in a timely fashion or at all, I suppose.
17 Those are both \$2,500 fines, correct?

18 MR. GREWACH: That is correct. We did
19 not have a case in our records that was on point
20 with this particular fact scenario, but those did
21 involve poker tournaments. As you pointed out,
22 those two cases we cite were cases where they
23 failed the first part of the rule, which is where
24 they have to send us the tournament rules prior to
25 the commencement of the tournament.

1 COMMISSIONER LOMBARDO: Okay.

2 CHAIRMAN KOHN: Other questions? Ed, I
3 was curious. So they are being fined \$2,500, but
4 they are also out the money that they paid, that
5 should have been paid out to the underpaid people,
6 and have not recovered the money that they paid
7 out to the overpaid people. So their fine is
8 really \$2500 plus whatever. It is not a violation
9 to not get back the money that they paid out on
10 the overpays?

11 MR. GREWACH: No, it is not. If they
12 wanted to waive or forego their ability to try to
13 recoup that \$2,110, that would not constitute a
14 violation. But you are right, the net effect is
15 that the casino is now paying out \$2,110 more than
16 they would have had the promotion proceeded.

17 CHAIRMAN KOHN: Plus the \$2500?

18 MR. GREWACH: Correct, plus the \$2500.

19 CHAIRMAN KOHN: Any other questions or
20 discussion?

21 COMMISSIONER LOMBARDO: I have one
22 question. Has this casino had any previous
23 problems of this nature?

24 MR. GREWACH: I would like to call on
25 Cheryl Alonzo, our Assistant Deputy Director.

1 MS. CHERYL ALONZO: The priors in this
2 case that were noted in November were the most
3 recent. Over time they may have an occasional
4 error, but it seemed to be -- there were several
5 in a row, so then they sent the letter, and they
6 are continuing to have more issues after that. So
7 not a pattern.

8 All the casinos at some time or another
9 might have a mistake on a tournament payout, but
10 not so many to where we felt like we needed to
11 send that letter. Which they did after the three
12 issues in November. Then when these issues came
13 up in January, they just wrote the Gaming Report
14 at that time.

15 COMMISSIONER LOMBARDO: But all of the
16 issues that you are talking about are described in
17 Ed's presentation and the document we have, right?

18 MS. ALONZO: Yes.

19 COMMISSIONER LOMBARDO: Other than that,
20 you don't think they've had a significant history
21 of this?

22 MS. ALONZO: No.

23 CHAIRMAN KOHN: Any other questions?
24 Comments? Tom, anything?

25 COMMISSIONER NEER: No, sir.

1 CHAIRMAN KOHN: Is there a motion with
2 respect to Resolution Number DC-17-075?

3 COMMISSIONER JAMISON: I move for
4 adoption.

5 COMMISSIONER NEER: Second.

6 CHAIRMAN KOHN: Discussion on the
7 motion? Angie.

8 MS. FRANKS: Commissioner Lombardo.

9 COMMISSIONER LOMBARDO: I don't approve.

10 MS. FRANKS: Commissioner Neer.

11 COMMISSIONER NEER: Approve.

12 MS. FRANKS: Commissioner Hale.

13 COMMISSIONER HALE: Approve.

14 MS. FRANKS: Commissioner Jamison.

15 COMMISSIONER JAMISON: Approve.

16 MS. FRANKS: Chairman Kohn.

17 CHAIRMAN KOHN: Approve.

18 MS. FRANKS: By your vote you have
19 adopted Resolution Number DC-17-075.

20 MR. GREWACH: Thank you.

21 CHAIRMAN KOHN: Anything else, Tim?

22 DEPUTY DIRECTOR MCGRAIL: No, sir.

23 CHAIRMAN KOHN: Before we adjourn this
24 meeting and go into closed session, I again want
25 to thank all the representatives from Eldorado --

1 I guess that's the right new name to use -- for
2 being here. Again, I want to thank all the rest
3 of you for coming. And Mayor Rose, if you are
4 still here, thank you again for letting us use
5 your premises. That concludes our open session.
6 Do we have a motion to go into closed?

7 COMMISSIONER JAMISON: I move for a
8 closed meeting under Sections 313.847 and 313.945
9 Revised Missouri Statutes, Investigatory,
10 Proprietary and Application Records and
11 610.021(1), Revised Missouri Statutes, Legal
12 Actions, Subparagraph (3) and Subparagraph (13)
13 Personnel and Subparagraph (14) Records Protected
14 from Disclosure by Law.

15 CHAIRMAN KOHN: Is there a second?

16 COMMISSIONER LOMBARDO: Second.

17 COMMISSIONER NEER: Second.

18 CHAIRMAN KOHN: Angie.

19 MS. FRANKS: Commissioner Lombardo.

20 COMMISSIONER LOMBARDO: Approve.

21 MS. FRANKS: Commissioner Neer.

22 COMMISSIONER NEER: Approve.

23 MS. FRANKS: Commissioner Hale.

24 COMMISSIONER HALE: Approve.

25 MS. FRANKS: Commissioner Jamison.

1 COMMISSIONER JAMISON: Approve.

2 MS. FRANKS: Chairman Kohn.

3 CHAIRMAN KOHN: Approve. We will now go
4 into closed session.

5 (Proceedings concluded at 10:15 a.m.)

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

C E R T I F I C A T E

I, James A. Leacock, Certified Court Reporter
for the State of Missouri, do hereby certify that I
appeared at the time and place hereinbefore set forth;
that I took down in Stenotype the proceedings had
at said time and place; and the foregoing 63 pages
constitute a true, correct and complete transcript of
said Stenotype notes.

Certified to this 3rd day of July, 2017.

James A. Leacock, CCR.

Certified Court Reporter No. 662 (G)

Notary Public, State of Missouri

MISSOURI GAMING COMMISSION
Second Open Session Minutes
June 28, 2017

The Missouri Gaming Commission (the “Commission”) went back into open session at approximately 10:32 a.m. on June 28, 2017, at Riverside City Hall.

Commissioner Jamison moved to adjourn the open session. Commissioner Lombardo seconded the motion. After a roll call vote was taken, Lombardo – yes, Neer – yes, Hale – yes, Jamison – yes, and Kohn – yes, the motion was unanimously approved.

The meeting ended at 10:34 a.m.