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MISSOURI GAMING COMMISSION

OPEN MEETING

March 28, 2018

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MISSOURI GAMING COMMISSION

Open Meeting

Missouri Gaming Commission
3417 Knipp Drive

Jefferson City, Missouri

March 28, 2018

BEFORE: Herbert M. Kohn, Chairman
Brian Jamison, Vice Chairman
Thomas Neer, Commissioner
Richard F. Lombardo, Commissioner
Daniel P. Finney III, Commissioner

REPORTED BY:
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1 (WHEREUPON, the open meeting began at
2 10:00 a.m.)

3 CHAIRMAN KOHN: Good morning. Call
4 the meeting of the March 28, 2018 Missouri Gaming
5 Commission meeting to order. Angie, please call
6 the roll.

7 MS. FRANKS: Commissioner Finney?

8 COMMISSIONER FINNEY: Present.

9 MS. FRANKS: Commissioner Lombardo?

10 COMMISSIONER LOMBARDO: Present.

11 MS. FRANKS: Commissioner Neer?

12 COMMISSIONER NEER: Present.

13 MS. FRANKS: Commissioner Jamison?

14 COMMISSIONER JAMISON: Present.

15 MS. FRANKS: Chairman Kohn?

16 CHAIRMAN KOHN: Present. We have a
17 quorum, ready to begin business, and we are going
18 to begin with some presentations by Deputy Director
19 Tim McGrail.

20 MR. McGRAIL: Thank you, Mr. Chair.

21 Good morning, everyone. We have three service
22 awards this morning that we want to present to some
23 of our outstanding employees. First one would be
24 Angie Rinker-Lugo, if she'd come forward. Angie is
25 a Senior Office Support Assistant at River City,

1 and she has five years of dedicated service to the
2 Missouri Gaming Commission. So thank you, Angie.

3 (Applause.)

4 CHAIRMAN KOHN: Congratulations.

5 MR. McGRAIL: Next one is ten years
6 of service, and that's Amber Connor. Amber, come
7 up, please. Amber is our Executive Assistant at
8 the Kansas City office. Again, she has ten years
9 of dedicated service with the Commission.

10 (Applause.)

11 CHAIRMAN KOHN: Amber, we remember
12 you showing us around the office when we were in
13 Kansas City.

14 MS. CONNOR: I hope you enjoyed it.

15 MR. McGRAIL: The last one is Tara
16 Nivens, if she'd come forward. Tara is an
17 Administrative Assistant in our bingo section and
18 also with the fantasy sports. Tara has 15 years of
19 dedicated service with the Missouri Gaming
20 Commission.

21 (Applause.)

22 MR. McGRAIL: The other presentation
23 is we have the Employee of the Quarter. If Missy
24 would come forward, please. Most of you are aware,
25 you're familiar with the Missouri Gaming

1 Commission's Employee of the Quarter. Each quarter
2 the Employee of the Quarter committee reviews the
3 nominations submitted and votes on one outstanding
4 employee. Employee of the Quarter gets an
5 administrative day, a parking space reserved for
6 them at the Jeff City office any time that you
7 come. Most importantly, though, most importantly,
8 lunch with the Executive Director. Choose wisely.
9 The Hill. Go to The Hill.

10 The Employee of the Quarter is
11 recognized for outstanding work in assisting gaming
12 agents at the Hollywood Casino in Maryland
13 Heights. Our Employee of the Quarter is Missy
14 Smith. Missy provided valuable information during
15 recent investigations, one where she was able to
16 identify a suspect utilizing her previous law
17 enforcement experience and skills, the other
18 incident where she overheard radio traffic
19 involving a disturbance and she was able to gather
20 information that was useful to the agents.

21 These are just a couple of examples
22 of how valuable Missy is in her role as Senior
23 Office Support Assistant to the Hollywood Casino.
24 Due to her quick thinking and actions, we commend
25 Missy and congratulate her on being selected as the

1 Missouri Gaming Employee of the Quarter. Would you
2 like to say a few words?

3 MS. SMITH: I had no idea I was
4 getting this today, so I'm not prepared, but this
5 is, as a lot of you know, a retirement job for me.
6 I retired from St. Louis County after 30 years, and
7 I really like it and I enjoy it, and I love being
8 able to continue what I did there here. So thank
9 you very much for the opportunity.

10 MR. McGRAIL: And Captain Plunkett,
11 if he'd come forward, he has a couple of
12 presentations.

13 CAPTAIN PLUNKETT: Could I get
14 Sergeant Young and Corporal Howery to come up.
15 Recently got a note from the Colonel. We typically
16 try to recognize our employees for their years of
17 service. In this particular instance, we've got
18 two employees here that are enjoying their 25th
19 year with the Missouri State Highway Patrol. As
20 most of you know, it's hard to get employees to
21 come in the door, much less stay for five or ten
22 years. But we're very proud of the employees at
23 the Missouri State Highway Patrol, both on the
24 civilian and the member side.

25 And these guys, as you know, it's not

1 an easy job. They spent a lot of years out on the
2 highway. Came over to the division. Both of these
3 gentlemen have done a great job for us. Keith was
4 just promoted the first of the month, and Kelley
5 has been serving as the officer in charge of the
6 boat there at Boonville.

7 So we're very pleased that you guys
8 have been with us this long. We appreciate your
9 service to the State of Missouri, the citizens that
10 we proudly serve.

11 And part of what we do, we give a pin
12 at the Patrol, shoulder patch as a -- supposed to
13 be a diamond. I'm not sure if it's a real one, but
14 it looks really pretty when you wear it on your
15 lapel. I apologize I didn't wear mine today. I
16 started to take one of these. But this is
17 something we want you to wear. When somebody on
18 the Patrol sees one of these, they know that person
19 when they're out that that's a 25-year person with
20 the Patrol. We think that's great. We want to
21 thank both of you guys. Thank you very much.

22 (Applause.)

23 MR. McGRAIL: Mr. Chairman.

24 CHAIRMAN KOHN: Thank you very much.

25 We always enjoy hearing those presentations.

1 They're all well earned, and we appreciate all the
2 effort that goes into the work that results in
3 these awards being made.

4 We do have one more award to give out
5 today, one recognition to give out. And as you can
6 tell, we recognize and value the work of the staff.
7 We could not operate, the Commissioners could not
8 operate without the work the staff does day in and
9 day out, and we very much appreciate that.

10 Commissioners come and go. The staff
11 is here, and at the heart of the staff is a woman
12 who has now been here for 20 years since the --
13 almost from the beginning, and she is Angie Franks.
14 We could not work without her input on a monthly
15 basis and on a daily basis, both inside and
16 outside.

17 So rather than my trying to tell you,
18 Angie, what you mean to the Commission and to the
19 State of Missouri, what I'd like to do is read this
20 proclamation from the Governor of the State. So
21 would you come up here. Angie asked us to do this,
22 by the way. This is a last thing Angie wanted.

23 So here's the proclamation. Whereas,
24 the citizens of Missouri are greatly indebted to
25 the workers who maintain the day-to-day operations

1 of the state and implement the ideas embodied in
2 the State's Constitution and proposed by its
3 elected officials; and whereas, without the efforts
4 of Missouri employees, many crucial services
5 required by Missouri citizens would be impossible
6 to provide; and whereas, Missouri employees provide
7 quality services not because they seek recognition
8 for their efforts but because the service are
9 essential; and whereas, the State of Missouri has
10 benefited from the hard work and devotion of Angie
11 Franks; and whereas, Angie Franks has dedicated 20
12 years of commendable service to the citizens of
13 Missouri, I, therefore, Eric Greitens, Governor of
14 the State of Missouri, do hereby commend Angie
15 Franks for 20 years of dedicated service. Today
16 the people of Missouri say thank you for so many
17 years of capable public service. In testimony
18 whereof, et cetera, signed by the Governor and by
19 the Secretary of State.

20 Angie, I think this says it all, and
21 all we can do is give you our thanks as well.

22 (Applause.)

23 COMMISSIONER JAMISON: In my three-
24 plus years that I've been here, I've been in state
25 government for numerous years, and what I've

1 learned is you may have an executive director, and
2 this is no diminishing his responsibilities or his
3 talents, but there's always someone like Angie in
4 every state department that makes things roll and
5 operate, and Angie does that behind the scenes.
6 And we all recognize it from our angle, and we all
7 know the things that you do and other people don't
8 see, and we really truly appreciate it. Thanks.

9 CHAIRMAN KOHN: Okay. Angie, we got
10 that done. Okay. First item of business is the
11 consideration of the minutes from the February 28
12 meeting. Is there a motion to approve?

13 COMMISSIONER JAMISON: So moved.

14 COMMISSIONER NEER: Second.

15 CHAIRMAN KOHN: Angie.

16 MS. FRANKS: Commissioner Finney?

17 COMMISSIONER FINNEY: Approve.

18 MS. FRANKS: Commissioner Lombardo?

19 COMMISSIONER LOMBARDO: Approved.

20 MS. FRANKS: Commissioner Neer?

21 COMMISSIONER NEER: Approved.

22 MS. FRANKS: Commissioner Jamison?

23 COMMISSIONER JAMISON: Approved.

24 MS. FRANKS: Chairman Kohn?

25 CHAIRMAN KOHN: Approved.

1 MS. FRANKS: By your vote, you've
2 adopted the minutes of the February 28, 2018
3 meeting.

4 CHAIRMAN KOHN: Mr. Seibert.

5 MR. SEIBERT: First order of
6 business, Mr. Chairman, is consideration of hearing
7 officer recommendations. Mr. Bryan Wolford will
8 present.

9 MR. WOLFORD: Good morning,
10 Mr. Chairman, Commissioners, Mr. Director. For
11 your consideration, the matter of Raymond Jean.
12 It's Resolution No. 18-013. Mr. Jean is employed
13 as a lead security officer at Argosy Casino.

14 On June 25, 2016, the Commission
15 initiated an investigation into an unsecured cash
16 box with two locks on it that was left on the
17 casino floor. The investigation revealed that
18 Mr. Jean, along with Security Officer Pettyjohn,
19 were performing their end of shift count and sweep,
20 security sweep of the count room, the main bank and
21 also the man trap.

22 During this time, one of the main
23 bank employees showed a broken security box to both
24 security officers. The box was empty, but the
25 locks on it -- the box itself was not functional

1 and it couldn't be used.

2 Mr. Pettyjohn picked up the broken
3 cash box. He showed surveillance through the
4 camera that it was empty and that the locks were
5 broken, and they both proceeded with their sweep.
6 The licensee, Mr. Jean, completed his sweep of the
7 main bank area, and Pettyjohn was in the man trap
8 checking the trash.

9 Mr. Jean left, and Mr. Pettyjohn then
10 took the bag of trash and the cash box and exited
11 the man trap into an unsecured area of the casino,
12 basically the game floor. He set the box down, set
13 the trash on top of it, and walked away. He did
14 not notify the Commission at that time that there
15 was an unsecured box and the proper procedures were
16 not followed.

17 Their internal controls, particularly
18 G, section 103, that states that locks for drop
19 devices shall be maintained in a locked compartment
20 in a secure location as identified in the internal
21 controls. And the reason for this is if these
22 locks are unsecured and a patron or somebody has
23 access to them, they could get at any lock of the
24 casino. So any locks that are unsecured would
25 require that every lock in the casino thereafter be

1 changed.

2 At the hearing Mr. Jean testified
3 that he went to the man trap of the main bank with
4 Mr. Pettyjohn. He saw the cash box and was
5 informed that it was broken. After performing his
6 final security sweep and inspection of the counting
7 room, he testified that he left and Mr. Pettyjohn
8 remained.

9 The Commission's agent, Corporal
10 Pitts, testified that Mr. Jean was responsible for
11 the final sweep of the area and that he knew the
12 locks on the box were broken after he left the
13 area. He also reiterated that had the locks been
14 taken off the property, then every lock on a casino
15 cash box at that facility would need to be
16 replaced.

17 However, upon cross-examination
18 Corporal Pitts testified that Mr. Jean would not
19 have known that the cash box and locks went outside
20 of the man trap into the unsecured area.

21 Based on the evidence presented, the
22 hearing officer finds that Mr. Jean did not violate
23 Missouri gaming law and recommends that the one-day
24 suspension proposed be vacated and set aside. Be
25 happy to answer any questions.

1 CHAIRMAN KOHN: Any questions of
2 Mr. Wolford? Is Mr. Jean here or a representative
3 of Mr. Jean?

4 Okay. Is there a motion with respect
5 to Resolution 18-013?

6 COMMISSIONER LOMBARDO: Motion to
7 approve.

8 COMMISSIONER NEER: Second.

9 CHAIRMAN KOHN: Discussion on the
10 motion?

11 COMMISSIONER JAMISON: I've got a
12 question. Is the resolution to vacate the -- to
13 vacate it? That's his recommendation?

14 MR. GREWACH: Correct.

15 COMMISSIONER JAMISON: And that is
16 the resolution?

17 MR. GREWACH: The resolution is to
18 affirm the hearing officer's recommendation. It
19 would vacate the one-day suspension.

20 COMMISSIONER LOMBARDO: That was my
21 understanding.

22 COMMISSIONER JAMISON: That was mine,
23 too, but I just wanted to make sure.

24 CHAIRMAN KOHN: Any other discussion?
25 Angie.

1 MS. FRANKS: Commissioner Finney?

2 COMMISSIONER FINNEY: Approve.

3 MS. FRANKS: Commissioner Lombardo?

4 COMMISSIONER LOMBARDO: Approved.

5 MS. FRANKS: Commissioner Neer?

6 COMMISSIONER NEER: Approved.

7 MS. FRANKS: Commissioner Jamison?

8 COMMISSIONER JAMISON: Approved.

9 MS. FRANKS: Chairman Kohn?

10 CHAIRMAN KOHN: Approved.

11 MS. FRANKS: By your vote, you've
12 adopted Resolution No. 18-013.

13 CHAIRMAN KOHN: Mr. Wolford.

14 MR. WOLFORD: Mr. Chairman, for your
15 consideration, the matter of Zachary Merriman,
16 Resolution No. 18-014. Mr. Merriman is employed at
17 Harrah's. However, this incident occurred at
18 Ameristar.

19 On January 5th, 2017, the Commission
20 boat agent was notified by casino security of an
21 intoxicated patron who was refusing to leave the
22 casino. Mr. Merriman was that intoxicated patron.
23 He was visibly intoxicated, showing obvious signs
24 of intoxication, including bloodshot eyes, strong
25 odor of alcohol, slurred speech and inability to

1 stand. The staff had requested that he leave the
2 premises, but he refused.

3 The commission boat officer requested
4 that he leave the premises, but again he refused.
5 And this went on for about seven minutes. He was
6 belligerent and uncooperative with both casino
7 staff and with the commission agent, and he used
8 profane language. When asked, he refused to
9 provide his employer information as well.

10 Eventually he was taken into custody
11 for trespassing, and during the course of the
12 arrest, he did resist his lawful arrest by the
13 commission boat agent. Trespass, of course, is a
14 Missouri statutory misdemeanor where someone
15 knowingly, in this case knowingly remains
16 unlawfully upon a structure or real property. He
17 was asked to leave, seven minutes he was asked to
18 leave and he refused to do so. He did subsequently
19 enter a guilty plea to the trespass charge.

20 As a licensee, even though he wasn't
21 on the clock at his own facility, he did have a
22 duty to follow Missouri gaming laws and
23 regulations, including ensuring that intoxicated
24 patrons were not on the gaming floor, and that
25 includes himself as an intoxicated patron.

1 He also had the duty to follow the
2 lawful directives of the commission boat agent,
3 which he did not do. His stubborn refusal to leave
4 the casino and to obey the lawful requests of
5 casino staff and the boat agent resulted in his
6 criminal trespass. At hearing he displayed no
7 accountability for his conduct and instead he
8 accused the Commission's boat agent of improper
9 conduct.

10 The hearing officer finds that he is
11 subject to discipline and recommends that the
12 revocation be affirmed as proper and appropriate
13 discipline.

14 CHAIRMAN KOHN: Questions of
15 Mr. Wolford? Okay. Is Mr. Merriman here or a
16 representative of Mr. Merriman?

17 All right. Is there a -- is there a
18 motion with respect to Resolution 18-014?

19 COMMISSIONER JAMISON: Move for
20 adoption.

21 COMMISSIONER FINNEY: Second.

22 CHAIRMAN KOHN: Discussion on the
23 motion? Angie.

24 MS. FRANKS: Commissioner Finney?

25 COMMISSIONER FINNEY: Approve.

1 MS. FRANKS: Commissioner Lombardo?

2 COMMISSIONER LOMBARDO: Approved.

3 MS. FRANKS: Commissioner Neer?

4 COMMISSIONER NEER: Approved.

5 MS. FRANKS: Commissioner Jamison?

6 COMMISSIONER JAMISON: Approved.

7 MS. FRANKS: Chairman Kohn?

8 CHAIRMAN KOHN: Approved.

9 MS. FRANKS: By your vote, you've
10 adopted Resolution No. 18-014.

11 CHAIRMAN KOHN: Mr. Wolford.

12 MR. WOLFORD: Mr. Chairman, for you
13 consideration, the matter of Christopher Le,
14 Resolution 18-015.

15 I will say at the start that this is
16 a fairly fact-intensive presentation, and if at any
17 time Commissioners have any questions, please stop
18 me and I'll be happy to answer those.

19 Mr. Le is a shift manager at the
20 Ameristar Casino. The incident occurred on
21 February the 10th, 2017, and the Commission began
22 an investigation into the incident on February 19,
23 2017. The Commission was investigating whether
24 funds were improperly paid to patrons from the --
25 from the casino pot account.

1 So this involves a game of Dragon
2 Mini Baccarat, and Mr. Caleb Scott was dealing at a
3 table when he accidentally flipped over a card to
4 one of the patrons, partially revealing it to where
5 the patron, other patrons at the table could see
6 what the card is. However, in the grand scheme of
7 things, whether a card is revealed or not really
8 has no bearing on the outcome of the game of
9 Mini Baccarat.

10 The patron looked at his face-down
11 card and then complained to the dealer that
12 basically he wanted to call a misdeal on the
13 incident. Upon further investigation, his face-
14 down card was an ace. The partially revealed card
15 was an ace. Two aces is not a good hand to have in
16 Mini Baccarat. So you can see why the patron was
17 wanting to do anything he could to get this hand
18 nullified.

19 The dealer called supervisors over to
20 the pit to investigate the incident. There were a
21 total of three supervisors besides Mr. Le who
22 responded. The first was Francisco Santiago. He
23 listened to both sides and made the decision that
24 the hand would be played out. The patron continued
25 to complain, and supervisors Jason Cook and Donald

1 Bills showed up, and they gave the similar opinion
2 that the hand should be played out. This is not --
3 this doesn't warrant a push in this case.

4 The patron then requested a higher
5 supervisor to intervene because he wasn't getting
6 the result that he believed he should have. Mr. Le
7 was then called over to the table. Mr. Le began
8 his investigation and declared that the hand would
9 be a dummy hand, which means that the hand plays
10 out but nothing wins and nothing loses. At the end
11 of a dummy hand, all players receive their wagers
12 back. At this point the wagers on the table
13 amounted to approximately \$1,500.

14 In Mr. Le's investigation, he was not
15 aware of the fact that the patron had looked at his
16 face-down card. He also failed to contact
17 surveillance to see whether or not the patron had
18 looked at the card. When Mr. Le made his decision,
19 the only staff present were the dealer, Mr. Scott.
20 The other supervisor, Mr. Bills, was standing by,
21 and then Mr. Le was also there. Mr. Cook and
22 Mr. Santiago had left.

23 COMMISSIONER JAMISON: I've got a
24 question. Did the -- it's Mr. Le. Did Mr. Le know
25 that the other three supervisors had already said

1 that the hand would play out?

2 MR. WOLFORD: Yes, he did.

3 COMMISSIONER JAMISON: And when you
4 said his investigation didn't determine that the
5 card had been looked at, what investigation did he
6 do if he didn't ask that question?

7 MR. WOLFORD: Mr. Le is here and I
8 will defer that to him during his presentation.
9 Based on the evidence presented at hearing, he
10 talked to the patron and the dealer, Mr. Scott, to
11 find out what happened.

12 When all of the supervisors were
13 coming to this incident, they all looked at it with
14 fresh eyes. That is, after Mr. Santiago left,
15 Mr. Cook didn't go to Mr. Santiago and ask him what
16 happened. He asked the patron, the table players
17 and the dealer what happened.

18 COMMISSIONER JAMISON: Okay.

19 MR. WOLFORD: The reason this is
20 before us is because the internal controls in
21 D 2.01 states that chips may only be added or
22 removed from the table inventory under some
23 expressly stated circumstances, and essentially
24 refunding the bets to players after a hand plays
25 out would not qualify as one of those

1 circumstances.

2 And the purpose of that is, once the
3 chips go into the table inventory, they're
4 considered casino assets and they are subject to
5 taxation under the gaming laws. And in this case
6 the Commission was alleging that the wagers that
7 were returned to the patrons were not properly
8 counted in the table inventory and, therefore, the
9 tax was not paid on those.

10 At the hearing Mr. Le testified that
11 he called the hand a dummy hand before it was
12 played out. He said he approached the table and
13 announced nothing wins, nothing loses, and waved
14 his hand over the table in a motion like this
15 (indicating).

16 He did admit that he was unaware that
17 the patron had looked at the face-down card, and he
18 said that if he had known that, he would have let
19 the hand play out.

20 COMMISSIONER LOMBARDO: Mr. Wolford,
21 he declared it a dummy hand. Was that before or
22 after he had received input from his supervisors?

23 MR. WOLFORD: I'm sorry. Mr. Le is
24 the highest authority supervisor here, and he did
25 not speak with the other supervisors in the chain.

1 He spoke --

2 COMMISSIONER LOMBARDO: Because I
3 understood these other supervisors weighed in on
4 it, Santiago and --

5 CHAIRMAN KOHN: They were under him.

6 COMMISSIONER LOMBARDO: They were
7 under him?

8 MR. WOLFORD: Yes. They had all made
9 the determination, and it kept escalating up the
10 chain until the patron got to the highest up
11 supervisor, which was Mr. Le.

12 COMMISSIONER LOMBARDO: Okay.

13 MR. WOLFORD: The Missouri commission
14 agent, Master Sergeant Fitzgerald, testified that
15 he believed that Mr. Le had not called the hand a
16 dummy hand until after it had played out. He said
17 that Mr. Le took these losing wagers and paid them
18 back to the patrons. Again, that would negatively
19 affect the table inventory and the taxation.

20 COMMISSIONER JAMISON: I have a
21 question. Were any of the players at the table
22 have winning hands?

23 MR. WOLFORD: I don't believe so.

24 COMMISSIONER JAMISON: So everybody
25 at the table would have lost?

1 MR. WOLFORD: Correct. The boat
2 agent also said that he didn't believe the dealer
3 Scott's statement that nothing wins, nothing loses
4 means that the hand was a push.

5 There was a surveillance video
6 entered into evidence, and the hearing officer did
7 examine the video actually in depth. At time stamp
8 4158 it shows Scott, the dealer, having a
9 conversation with someone off camera in the area of
10 where Mr. Le came from. And this is after Santiago
11 had already left and Mr. Cook and Mr. Bills was
12 standing back. Then you could see Mr. Le arriving
13 on camera at time stamp 4210, and he gestures
14 towards Scott with his hands. The only other
15 casino employees at the table at that time were
16 dealer Scott, Mr. Le, and then Mr. Bills was kind
17 of standing between them.

18 At time stamp 4215, five seconds
19 later, dealer Scott makes a waving gesture with
20 both of his hands over the playing surface and
21 begins to complete dealing the hands, and he deals
22 the hands face up. It's interesting to note, in
23 the rules of Mini Bacc, dummy hands can be played
24 face up or face down. There's no requirement of
25 preference either way.

1 At time stamp 4223, Mr. Le makes the
2 same hand gesture over the table. The hand
3 concludes 20 seconds later at 4243 with all the
4 patrons receiving their wagers back from the table.

5 The statements of dealer Scott and
6 supervisor Bills were also entered into evidence
7 without objection. Dealer Scott states that Mr. Le
8 did indeed call it a dummy hand, but he was not a
9 hundred percent certain whether that occurred
10 before or after the hand played out.

11 Supervisor Bills did state that the
12 dummy hand was not called until after the hand
13 played out. However, neither dealer Scott nor
14 supervisor Bills were presented for hearing in
15 order to examine and cross-examine their testimony.
16 So in this case, Mr. Le --

17 CHAIRMAN KOHN: Who makes those
18 decisions whether or not any other witnesses
19 appear?

20 MR. WOLFORD: Each side decides on
21 what witnesses they choose to call.

22 CHAIRMAN KOHN: So the Gaming
23 Commission chose not to have these other involved
24 people testify?

25 MR. WOLFORD: Essentially neither the

1 Commission nor Mr. Le brought those parties to
2 testify, correct.

3 COMMISSIONER JAMISON: But there were
4 statements from them that were entered as evidence
5 in this hearing?

6 MR. WOLFORD: That's correct. It was
7 all part of the gaming report.

8 COMMISSIONER JAMISON: So there was a
9 written statement testimony entered but not a
10 cross-examination of that statement?

11 MR. WOLFORD: That's correct.

12 COMMISSIONER LOMBARDO: And because
13 this is an administrative hearing, you can take
14 that kind of evidence. It's not like a court of
15 law where you have hearsay, correct?

16 MR. WOLFORD: Correct. However, I
17 will note that, as the hearing officer, I give
18 different weight to the evidence whenever the
19 person making the statement's not available for
20 cross-examination.

21 Mr. Le had become involved after all
22 the other supervisors didn't give this patron the
23 result he wanted. The party who actually reported
24 this incident to the Commission was Supervisor
25 Santiago, and he was not present at the table at

1 the time that Mr. Le made the decision to call the
2 hand a dummy hand. Mr. Le did say that his
3 subordinate supervisors were not happy with his
4 decision. They believed he made the wrong call in
5 that as well.

6 The surveillance video shows Mr. Le
7 and Mr. Scott both making the waving motion before
8 the hand is played out. Mr. Scott makes the
9 sweeping gesture over the table. It is worth
10 noting that the dealer, Mr. Scott, again placed the
11 hand with the cards face up, which is an option for
12 dummy hands.

13 Ultimately, Mr. Le made the incorrect
14 decision according to the rules of the game. He
15 should have made the hand play out, and the wagers
16 would have been lost and counted in the inventory
17 as casino assets and subject to tax.

18 He also didn't do a thorough
19 investigation in that he should have called
20 surveillance, he should have looked at the video,
21 he should have seen the card flip and the patron
22 look at his hidden card.

23 That's not why we're here today. The
24 issue is whether casino assets were improperly paid
25 out, that is whether losing wagers were improperly

1 paid out. And because the hand was called a dummy
2 hand before it played out, the wagers on the table
3 were not losing wagers. Under the rules of Mini
4 Bacc, they go back to the patrons. Nothing wins.
5 Nothing loses. They were never part of the table
6 inventory to begin with. Therefore, there was no
7 adverse impact on the casino's adjusted gross
8 revenue in this instance, and Mr. Le didn't violate
9 the mix.

10 Therefore, the hearing officer finds
11 that Mr. Le committed no violation of law and
12 recommends that the 30-day suspension be vacated
13 and set aside.

14 COMMISSIONER JAMISON: I've got a --
15 I think this is a technical question. You say that
16 he incorrectly called the dummy hand, and so that
17 would infer to me that the dummy hand shouldn't
18 have been called.

19 MR. WOLFORD: Correct.

20 COMMISSIONER JAMISON: If the dummy
21 hand wouldn't have been called or shouldn't have
22 been called, those assets would have been the
23 casino's?

24 MR. WOLFORD: If the hand would have
25 played out, they would have been casino assets.

1 COMMISSIONER JAMISON: If the correct
2 decision was made, the hand would have played out
3 and they would have been casino assets?

4 MR. WOLFORD: Correct.

5 COMMISSIONER JAMISON: So I guess I'm
6 a little lost in this part that says he did the
7 wrong thing, but since he did the wrong thing, he
8 didn't do anything wrong.

9 MR. WOLFORD: He made an incorrect
10 call, but --

11 COMMISSIONER JAMISON: That would be
12 the wrong call.

13 MR. WOLFORD: We give these
14 supervisors and dealers the ability to, as the
15 games are playing out -- it's no different than
16 calling a misdeal in another game. Umpires miss
17 calls sometimes. Here Mr. Le missed the call.

18 I don't believe it rose to the level
19 of violating what he was accused of violating,
20 which is paying losing wagers back to the employees
21 (sic), because they never hit the till. They're
22 not losing wagers. They would have been had he
23 made the right call, but in this case they were
24 never losing wagers.

25 COMMISSIONER JAMISON: So your

1 reference in it that he inadvertently made the
2 wrong call, but there was information that he could
3 have obtained to make the right call but he failed
4 to do that?

5 MR. WOLFORD: That's correct.

6 COMMISSIONER JAMISON: So I guess I'm
7 having trouble getting the leap from there were
8 things that he could have done or should have done.
9 Would those have been things that were protocol?

10 MR. WOLFORD: He's not accused of
11 making the wrong call. He's accused of calling it
12 a dummy hand after the hand was played. That's the
13 factual allegations against him.

14 COMMISSIONER JAMISON: Okay.

15 MR. WOLFORD: And in this case I
16 found that he called the dummy hand before it was
17 played out. Therefore, they were never losing
18 wagers to begin with. So that's -- I'm not so much
19 hung up on did he blow the call or did he not blow
20 the call. It's the factual allegations against
21 him, that he called the dummy hand after the hand
22 was played out and the results were already
23 determined.

24 COMMISSIONER JAMISON: So you're
25 saying the fact that he called the dummy hand prior

1 to is the significant point in this?

2 MR. WOLFORD: Correct.

3 COMMISSIONER LOMBARDO: And there was
4 conflicting testimony on that, but you've made the
5 finding that he called the dummy hand before the
6 hand played out?

7 MR. WOLFORD: That's correct. And I
8 based my decision off of watching the security
9 video and then comparing the other statements that
10 were into evidence, and I could see in the video
11 there are hand motions being done by Dealer Scott
12 and by Mr. Le before the hand is played out.

13 COMMISSIONER LOMBARDO: So in your
14 opinion, the surveillance video is the key piece of
15 evidence and it breaks the tie between the
16 conflicting testimony?

17 MR. WOLFORD: I believe so, yes.

18 CHAIRMAN KOHN: Any other questions
19 of Mr. Wolford?

20 COMMISSIONER JAMISON: No, sir. I
21 appreciate the explanation.

22 CHAIRMAN KOHN: Let me just make a
23 statement about process here. We have another one
24 coming up, another matter coming up, in fact it's
25 the next one, where there's also a difference of

1 opinion between hearing examiner and the
2 Commission's recommendation. I'm going to ask the
3 Commissioners before we vote on either of these
4 whether or not we want to go into closed session to
5 discuss. So let's hold up -- we'll go ahead and
6 finish up the Le matter now but not vote on it
7 until after we have talked about the next one as
8 well. So any other questions of Mr. Wolford?

9 Is Mr. Le here or a representative of
10 Mr. Le?

11 MR. LE: Yes, sir.

12 CHAIRMAN KOHN: Mr. Le, did you want
13 to make a statement, address the Commission?
14 Please identify yourself for the record.

15 MR. LE: I'm Christopher Le. The
16 reason I'm here, I just want to make sure that the
17 call that I made is way before the hand was played
18 out, so there's no win, no loss, before the hand
19 was completely played out.

20 CHAIRMAN KOHN: One minute. Are
21 there any questions of Mr. Le?

22 COMMISSIONER JAMISON: No, sir.

23 COMMISSIONER LOMBARDO: No.

24 CHAIRMAN KOHN: Thank you very much
25 for coming down here this morning.

1 Ms. Kerr, do you have any statement
2 for the Commission?

3 MS. KERR: Yes, I do. Thank you.
4 Good morning.

5 The Missouri Gaming Commission staff
6 disagrees with the hearing officer's decision not
7 to impose any discipline against Mr. Le's
8 occupational gaming license. Our position is that
9 Mr. Le did not meet his burden that no discipline
10 should be assessed against his license and that a
11 30-day suspension should be imposed for those
12 violations.

13 There's been a lot of discussion at
14 the hearing and today and in the hearing officer's
15 proposed order about when Mr. Le called the dummy
16 hand. That issue is not relevant to the outcome of
17 this case. What is relevant is that Mr. Le failed
18 to follow the casino rules of the game.

19 For every table game we require that
20 the rules of the game be filed with the Commission
21 in the casino's internal controls or ICS, I-C-S.
22 We also require the casino to conduct the game
23 according to those rules. The rules of Mini Bacc,
24 which are in your materials as well, or they're
25 listed in the preliminary order, have no reference

1 to a dummy hand and no provision for procedural
2 errors that would allow the dealer or manager to
3 cancel or push bets already placed on the table.
4 Nothing in the rules, no instructions by the
5 Commission allow losing wagers to be refunded to
6 players. Nothing in the rules of the game make
7 mention of a dummy hand or what to do if there is a
8 discrepancy or a procedural error.

9 The rules of Mini Bacc are relatively
10 simple. The players place their bets on what hand
11 they think will win before the cards are even
12 dealt. They either put it on the player, the
13 banker or a tie. It's important to note there's no
14 strategy in Mini Bacc. Once the dealer starts
15 dealing the cards, players make no decisions, make
16 no actions.

17 The dealer deals the cards face down,
18 but there are ways so that the players might be
19 able to see the cards when they're dealt. But
20 whether they see the cards or not, it doesn't have
21 any effect on the outcome of the game.

22 Now, in this case the procedural
23 error by this dealer was that the first card
24 flipped up so that he could see the card. Like I
25 said, that does not affect the outcome of the game

1 because that outcome is determined as soon as they
2 place their bets and the dealer starts dealing.

3 COMMISSIONER FINNEY: Can I ask a
4 question?

5 MS. KERR: Yes.

6 COMMISSIONER FINNEY: Then why do
7 they deal them down? Why not just deal them face
8 up if it doesn't make a difference?

9 MS. KERR: They could deal them face
10 up. I think it's just the way the game's played,
11 superstitions, just...

12 COMMISSIONER FINNEY: Okay.

13 MS. KERR: The rules of the game
14 don't -- it's just how they do it.

15 Now, when Mr. Le arrived at the
16 table, all that was left to do was turn the cards
17 over and see whether a third card needed to be
18 dealt or not. Whether or not the third card needed
19 to be dealt is predetermined by the rules of the
20 game. Nobody makes a decision. You look at the
21 rules of the game, and if there are a certain
22 number of cards, the cards add up to a certain
23 number, you draw a card. If they don't add up to a
24 certain number, you don't draw a card. It's all
25 determined by the rules of the game.

1 So, therefore, Mr. Le had no reason
2 to call a dummy hand at any point in the game. It
3 didn't matter if he called the dummy hand before
4 the cards were dealt or after they were finished
5 being dealt. He also had no reason to refund the
6 players' wagers after the hand ended and they
7 apparently lost.

8 As the hearing officer had said, once
9 the bets were made, they were in the table bank and
10 they shouldn't have been refunded out of that.

11 So now as background, and it's also
12 outlined in the narrative, this case was preceded
13 by a series of incidents in December of 2016 where
14 Mini Bacc players were being refunded their losing
15 wagers after they alleged procedural errors in the
16 dealing of the game.

17 The casino officially received a
18 notice of investigation in December 2016 notifying
19 management of the problems and that refunding
20 wagers from the table chip tray violated our
21 regulations. They were also noted for violating
22 the minimum internal controls and the casino
23 internal controls in that notice of violation.

24 The casino was in discussions with
25 the Commission during this investigation leading up

1 to that NOI being issued, and upon receiving the
2 notice of the violations in early December, the
3 casino met with MGC staff. And it is noteworthy to
4 note that in the original investigation there was
5 one incident that involved Mr. Le, and that was the
6 one on December 13th, 2016.

7 So prior to February when this
8 incident occurred, the casino table games personnel
9 were also coached on how to handle those issues at
10 Mini Bacc when the patrons complain about a
11 procedural error that doesn't affect the outcome.
12 And as a table game shift manager, Mr. Le was one
13 of those team members that was involved in what to
14 do when this happens.

15 So then this incident happened on
16 February 10th, 2017, and that was brought to the
17 investigator's attention. Lieutenant Fitzgerald
18 investigated what happened that evening and added
19 it to a supplement to his original investigative
20 report, and that's all in the Exhibit 3 that was
21 entered into evidence at the hearing.

22 He determined the dealer and the
23 other supervisors arriving at the table got it
24 right and Mr. Le got it wrong. Mr. Le indicated
25 during his interview with Lieutenant Fitzgerald and

1 in his testimony at the hearing that his decision
2 at the game was based solely on customer service.

3 That kind of decision pushing losing
4 bets back when the players complain and there's no
5 effect on the outcome based on customer service was
6 the problem that the Commission discussed with the
7 casino in December. That was the basis of that
8 first NOI, and that resulted in the casino being
9 disciplined.

10 But to the extent that the Commission
11 finds that the timing of the called hand is
12 determinative in this case, several facts in the
13 record refute this. First of all, if Le had called
14 the dummy hand before the hand played out, why not
15 let the players take their bets back at that time?
16 If it didn't matter, they could have the wagers
17 back. It was a dummy hand. It didn't count. They
18 get their wagers back. But that's not what
19 happened.

20 In fact, if you -- the players were
21 instructed to keep their -- keep their bets on the
22 table. When one of the players went to grab his
23 bet, he was waved off and he couldn't grab his bet
24 until the hand was finished. So that is another
25 thing that indicates that Mr. Le indicated, as

1 everybody else did, that the hand plays out.

2 So then after all the cards are
3 turned over and the players saw that they all lost,
4 the players -- the players became upset and
5 complain again. And when it appears that their
6 bets would be collected, everyone stops and looks
7 at Mr. Le. The dealer, the players, all stop and
8 look at Mr. Le to find out what to do next, and
9 it's at that point that Mr. Le says go ahead, push
10 the bets, give the wagers back.

11 And so if you -- based on the
12 testimony and the video and the written evidence
13 that's in the record, it indicates that Mr. Le
14 waited until the hand was over before he pushed the
15 bets, which was not according to the rules of the
16 game and went back to the directive that they got
17 that they shouldn't be refunding players' wagers
18 out of the table bank tray.

19 So based on that, the MGC contends
20 that Mr. Le's occupational license is subject to
21 discipline. The staff recommended 30-day
22 suspension. We ask that the Commission reject the
23 hearing officer's proposed order and impose the
24 recommended discipline of 30 days.

25 CHAIRMAN KOHN: Is there any

1 questions of Ms. Kerr?

2 COMMISSIONER JAMISON: I've got a
3 couple questions. You're saying in the rules that
4 there is no provision for waiving off of a hand if
5 a card is -- if there's a procedural error?

6 MS. KERR: Correct. There's nothing
7 in the rules of Mini Bacc that defines a dummy hand
8 or that defines what a discrepancy in dealing would
9 be or what to do if there is a discrepancy.
10 There's nothing in the rules that say that.

11 COMMISSIONER JAMISON: And is that
12 because there's no outcome changes with the
13 procedural error?

14 MS. KERR: I'm not --

15 COMMISSIONER JAMISON: I mean --

16 MS. KERR: -- sure if that's why, but
17 the casinos are required to submit their rules of
18 the game to the Commission for us to approve of
19 before they play the game, and those are the rules
20 that were submitted and approved.

21 COMMISSIONER JAMISON: Okay.

22 COMMISSIONER LOMBARDO: Which rule
23 did he break? I mean, I know it's in the text
24 here, but --

25 MS. KERR: Chapter C, minimum

1 internal controls of the Ameristar Casino. It's
2 Chapter C, rules of the game for Mini Bacc. And
3 then he also -- we also cited Chapter D for when he
4 refunded the wagers back when the hand was over,
5 but --

6 COMMISSIONER NEER: So it's more an
7 issue of refunding the bets as opposed to the way
8 he called the game?

9 MS. KERR: Well, it's both. I mean,
10 he --

11 COMMISSIONER NEER: You said in the
12 rules of Baccarat, there's no rule in there written
13 that affects this specific action.

14 MS. KERR: Well, if there is no rule,
15 he can't do it. So he did violate the rules of the
16 game, and by violating the rules of the game, that
17 is a violation of our rules.

18 COMMISSIONER LOMBARDO: There's a lot
19 of material in here about what I would call some
20 kind of greater investigation regarding paying back
21 bets over what I'll call technical reasons.

22 MS. KERR: Right.

23 COMMISSIONER LOMBARDO: And I think
24 you indicated that Mr. Le was involved on a
25 previous matter, but I can't wade through all this

1 stuff and find out exactly what the previous matter
2 was.

3 MS. KERR: It's in the narrative
4 portion of Exhibit 3.

5 COMMISSIONER LOMBARDO: That was my
6 mistake. I was reading through the previous
7 material.

8 COMMISSIONER JAMISON: It's on
9 page 110.

10 COMMISSIONER LOMBARDO: Thank you,
11 Brian. There's only 188 pages.

12 COMMISSIONER JAMISON: I think it's
13 110 is the narrative report about the December.

14 COMMISSIONER LOMBARDO: So can you
15 tell me specifically with regard to Mr. Le what the
16 previous incident was?

17 MS. KERR: Yes. It's in the
18 narrative portion of the gaming report. It's
19 paragraph 6. And what happened is on that evening
20 of December 13th, 2016, Mini Bacc table, the dealer
21 failed to hand over a third card, banker card to
22 the players prior to revealing his card. This was
23 a procedural error in which the outcome was in no
24 way affected. It didn't matter what that card was.
25 And again, the refund was provided to the patron

1 from the table bank tray, negatively affecting the
2 AGR, for what was considered a customer service
3 issue and -- because the outcome was in no way
4 affected by the card or the timing of the reveal.

5 And that was -- that was the one in
6 which Mr. Le came in, was called in and provided --
7 refunded \$2,200 in bets back to the three players.
8 And again, this incident occurred after the casino
9 personnel, director of regulatory compliance and
10 assistant general manager had met with the Gaming
11 Commission and discussed this problem that we saw.

12 It's our understanding that the
13 people, the employees on the floor knew that that
14 was the directive not to -- if they were going to
15 refund the wagers, they were supposed to do that
16 out of the cage, not out of the table bank tray,
17 because that -- refunding out of the table affected
18 AGR. Because as the hearing officer said, once
19 bets were made and accepted, that's -- that money
20 is taxed.

21 COMMISSIONER LOMBARDO: So there were
22 a lot of incidents, but a number of them did not
23 occur under Mr. Le's supervision?

24 MS. KERR: Correct.

25 COMMISSIONER LOMBARDO: And had there

1 been any other disciplinary proceedings brought
2 against individuals other than Mr. Le over this
3 general problem?

4 MS. KERR: No. Just Mr. Le was
5 recommended 30 days suspension, and the casino was
6 fined \$30,000 plus the tax assessment, and that was
7 approved in the January meeting. So the casino was
8 disciplined, and then Mr. Le was recommended to be
9 disciplined.

10 COMMISSIONER LOMBARDO: But no other
11 individuals --

12 MS. KERR: Correct.

13 COMMISSIONER LOMBARDO: -- out of all
14 these incidents?

15 MS. KERR: Correct. But this--

16 COMMISSIONER JAMISON: But this
17 incident occurred a couple of months after the rash
18 of incidents, correct? Am I reading that right?

19 MS. KERR: Right.

20 COMMISSIONER JAMISON: This one
21 occurred in February, are we talking?

22 MS. KERR: February 27th.

23 COMMISSIONER JAMISON: February 27.
24 And this narrative talks about incidents that
25 occurred in November and December, correct?

1 MS. KERR: Correct. And so we
2 thought that that issue had been resolved, and then
3 in February 2017 we get notified of this other
4 issue that Mr. Le was involved in that didn't
5 comply with any -- what they were -- what the
6 casino was originally issued an NOI for.

7 COMMISSIONER LOMBARDO: Is the staff
8 making any allegation that this is in some way
9 malicious or is this just a mistake?

10 MS. KERR: I don't know that it's
11 malicious, but it's not -- I wouldn't say that it's
12 a mistake. I mean, he knew that -- he knows the
13 rules of the game. He knows he's supposed to
14 follow the rules of the game. Nothing in the rules
15 of the game allow for him to do what he did.

16 And he also knew that -- or had been
17 advised that if he was going to make a customer
18 service decision to refund their wagers, he should
19 have done that from the cage or the cashier rather
20 than from the table bank tray. So he knew that he
21 wasn't supposed to do what he did and he did it
22 anyway. I mean, I don't know that I call it
23 malicious, but I wouldn't call it just a mistake, a
24 missed call or anything like that either.

25 COMMISSIONER LOMBARDO: Well, we fine

1 people for mistakes all the time.

2 MS. KERR: This is true. I mean --

3 COMMISSIONER LOMBARDO: So that may
4 not be a determinative question.

5 MS. KERR: It is a mistake. It's
6 not, you know, I missed the call.

7 CHAIRMAN KOHN: Any other questions
8 for Ms. Kerr?

9 COMMISSIONER FINNEY: I have one.
10 Ms. Kerr, just so I understand, you're saying that
11 the timing of the call is irrelevant?

12 MS. KERR: Correct.

13 COMMISSIONER FINNEY: And you also
14 said that there's no -- there's nothing in the
15 rules for what to do in a case of a procedural
16 problem; is that accurate?

17 MS. KERR: Right. There's nothing
18 listed in the rules to describe what a discrepancy
19 is or a dealing, a misdeal, and there's nothing in
20 the rules that say what to do if there is.

21 COMMISSIONER FINNEY: So does that
22 mean that there would never be a procedural issue
23 in this particular game, or does that just mean
24 that the rules don't address what to do if there is
25 a procedural issue? Because my question is, are we

1 saying that there could never be a procedural issue
2 and that's why the rules don't talk about it, or is
3 it that there may be a procedural issue and the
4 rules are deficient in the sense that they don't
5 say what to do in that particular case?

6 MS. KERR: If I might ask Ed, if I
7 could.

8 COMMISSIONER NEER: Let me clarify.
9 I think I had the same question. There's nothing
10 in the rules that indicates what to do when there
11 is a misdeal?

12 MS. KERR: Correct. And they are
13 required by our CSRs to submit game rules that
14 include what to do if -- to describe a discrepancy
15 and what to do if there is a discrepancy, and those
16 are not submitted.

17 COMMISSIONER JAMISON: But I kind of
18 get back to the point of your point is, if they
19 want to waive off the hand and provide customer
20 service, it needs to come out of their pot, not off
21 the table wagers, is what you're saying?

22 MS. KERR: Correct.

23 COMMISSIONER JAMISON: But you're not
24 opposed to providing the customer service and
25 giving the money back, it should just come out

1 after it's been counted and not just wiped off the
2 table?

3 MS. KERR: Correct.

4 COMMISSIONER NEER: Out of the cage
5 as opposed to off the table?

6 MS. KERR: Yes.

7 CHAIRMAN KOHN: Difference between
8 pretax and after-tax dollars?

9 MS. KERR: Correct.

10 CHAIRMAN KOHN: Any other questions
11 of Ms. Kerr? Mr. Wolford, do you have anything
12 else?

13 MR. WOLFORD: Yes.

14 CHAIRMAN KOHN: You looked like you
15 might.

16 MR. WOLFORD: Right. I think I want
17 to make it clear in the record that the MICS,
18 Chapter D specifically says table inventory.
19 Wagers on a table are not table inventory until
20 they're taken in as losing wagers. So in that
21 case, when you call the hand a dummy hand before
22 the hand is completed and dealt out, they never hit
23 the till. They never become taxable.

24 COMMISSIONER JAMISON: Okay. I've
25 got a question. You've referred to this dummy hand

1 as it's a legitimate thing to be able to do.

2 MR. WOLFORD: Yes.

3 COMMISSIONER JAMISON: Do you see in
4 the rules where it's a legitimate thing to do to
5 call a dummy hand?

6 MR. WOLFORD: I see a reference that
7 dummy hand can be played face up or face down.
8 Ms. Kerr is right in that there is no definition of
9 what a dummy hand is, but if you say how it can be
10 played, presumably it exists or otherwise I expect
11 a lot more notices of investigation will be coming
12 through this office shortly.

13 COMMISSIONER LOMBARDO: Is there a
14 common meaning for a dummy hand in the industry?

15 MR. WOLFORD: Yes. That would be a
16 push.

17 CHAIRMAN KOHN: Mr. Le, we have
18 another question for you. Would you come back up,
19 please?

20 MR. LE: Yes, sir.

21 COMMISSIONER JAMISON: My question
22 would be, where do you feel that you draw the
23 authority for the decision to declare a dummy hand?

24 MR. LE: On the Mini Bacc game, when
25 the issue has happened, like a mistake happen, and

1 we call it dummy hand prior to finish the hand. So
2 if I finish the hand, then I won't call it a dummy.
3 We play the way it is. But on Mini Bacc, the dummy
4 hand is -- when you make the dummy hand, you have
5 to make it before the hand was played out, whether
6 you draw the card or not. On this case, we drew on
7 each side, usually only four card, but on this
8 particular hand we had to finish the hand. On this
9 particular game, it's not like a blackjack game.
10 When you deal the game, whether -- after the dummy
11 hand, they continue to play. Otherwise you kill
12 the whole entire shoe.

13 COMMISSIONER JAMISON: So you're
14 playing the dummy hand to make sure that the right
15 number of cards is drawn out of the shoe so that
16 the next hand is the right -- in the right
17 sequence. I get that part of why you play out the
18 dummy hand.

19 MR. LE: Right.

20 COMMISSIONER JAMISON: My question is
21 kind of, after what occurred in December, and
22 you're familiar with that in December of '16?

23 MR. LE: When she asked me at the
24 hearing, at the -- in Kansas City, I told her I
25 don't remember that.

1 COMMISSIONER JAMISON: You don't
2 remember that? You don't remember anything about
3 not taking money off the table and taking it out of
4 the cage for customer service? You don't recall
5 any of that information?

6 MR. LE: In the past -- we done that
7 in the past, but after --

8 COMMISSIONER JAMISON: Done what?

9 MR. LE: Like we take the money and
10 if something happen, we give them back whatever
11 they have. But since they had a new e-mail coming
12 out, a new rule coming out saying we cannot take
13 the money out from the tray, refund it to the
14 guest. We had to get the money from the cage to
15 refund to the guest.

16 COMMISSIONER JAMISON: And when did
17 that e-mail come out?

18 MR. LE: I think sometime in
19 December.

20 COMMISSIONER JAMISON: Of '16?

21 MR. LE: Yeah.

22 COMMISSIONER JAMISON: So you were
23 aware that you weren't supposed to take money off
24 the table?

25 MR. LE: Right. But on this

1 particular hand on February the 17, because just
2 because the money never hit the tray, we made the
3 dummy hand way before the hand was played out. So
4 the money never hit the tray.

5 COMMISSIONER JAMISON: Well, let me
6 ask you a question about that. When you say the
7 money never hit the tray, can a player handle his
8 money after he puts it on the table?

9 MR. LEE: No.

10 COMMISSIONER JAMISON: Whose money is
11 it at that point? Who controls the money until the
12 hand is finished?

13 MR. LEE: We control that.

14 COMMISSIONER JAMISON: So then you
15 have possession of that money at that time?

16 MR. LEE: But the hand was not played
17 out.

18 COMMISSIONER JAMISON: I understand
19 that. The question is about who is the money --
20 Mr. Wolford is making the assertion that it's still
21 their money before it's drawn into the -- I'm just
22 telling you what Mr. Wolford is saying, that it is
23 never money that's entered into the casino. He's
24 saying it's money that's sitting on the table. So
25 his assertion is all money sitting on the table

1 still belongs to the bettor.

2 MR. LE: We don't --

3 COMMISSIONER JAMISON: But you don't
4 feel that way because that bettor can't touch his
5 money again, right?

6 MR. LE: Right. Once you put your
7 money there, you can't touch it.

8 COMMISSIONER JAMISON: It's the
9 casino's?

10 MR. LE: That's the casino's. You
11 cannot touch it.

12 COMMISSIONER JAMISON: So there is a
13 difference between Mr. Wolford saying it's not the
14 casino's money and you saying it is the casino's
15 money?

16 MR. LE: At this moment, before the
17 hand would play out, there is nobody's money.

18 COMMISSIONER JAMISON: Well, it's
19 somebody's money. It's not nobody's money.

20 MR. LE: I mean I can't take the
21 money until --

22 COMMISSIONER JAMISON: The hand is
23 played out, but you're not letting them do anything
24 with that money?

25 MR. LE: Right.

1 COMMISSIONER JAMISON: So you control
2 it?

3 MR. LE: Right.

4 CHAIRMAN KOHN: I think the key is
5 the difference between control and possession. The
6 casino controls it but not necessarily possesses
7 it.

8 COMMISSIONER JAMISON: That's the
9 question.

10 CHAIRMAN KOHN: That's what he's
11 saying.

12 COMMISSIONER JAMISON: I get it. I'm
13 done.

14 CHAIRMAN KOHN: I think we've done
15 enough. I'm going to suggest that we hold up
16 voting on Resolution 18-015 until we hear the next
17 matter and decide whether or not we want to go into
18 closed session to discuss the Le matter or the
19 Benedick matter or both. So Mr. Wolford, we're
20 ready for Benedick. Thank you, Mr. Le. That's
21 all.

22 MR. WOLFORD: For your consideration,
23 the matter of Amanda Benedick. It's Resolution
24 No. 18-016.

25 Ms. Benedick serves as the Internal

1 Communications Manager for Pinnacle Entertainment.
2 This incident occurred on February the 10th, 2017
3 at River City Casino. On that date, the
4 Commission's boat agent was contacted by
5 surveillance about a casino employee in the back of
6 the facility without displaying her casino access
7 badge or her occupational gaming license.

8 The investigation revealed that at
9 approximately 10:34 a.m. that morning, Internal
10 Communications Specialist Jason Brendell (phonetic)
11 let Ms. Benedick into the back of the casino
12 facility through the doors by the main bank even
13 though she did not have her access badge or her
14 gaming license. A security officer saw her in the
15 hallway later on without her badge and contacted
16 surveillance, which contacted the Commission at
17 that point.

18 She told the security officer
19 initially that she left her badges in her office,
20 although subsequently they were not located in her
21 office and they were not located in her vehicle.
22 She did call Mr. Brendell before she entered the
23 casino at approximately 10:30 and told him that she
24 didn't have her badges and asked him to let her
25 into the building anyway, which he did.

1 Then after the investigation had
2 begun, she texted Mr. Brendell and said, if asked,
3 you can say you just happened to be coming out when
4 I came in. Don't want you to get in trouble for
5 letting me in. She admitted to asking Mr. Brendell
6 to let her in the building. She also admitted to
7 asking Mr. Brendell to lie on her behalf.

8 She failed to disclose pertinent and
9 truthful information at the outset and made
10 inconsistent and misleading statements to the boat
11 agents, Trooper Spoiler and Sergeant Hourihan
12 during the investigation of the incident, although
13 she did rather quickly change her tune and become
14 truthful with the Commission.

15 At the hearing she admitted all the
16 factual allegations against her and stated what she
17 did was wrong. She stated that she had served a
18 30-day suspension from her employer, and her
19 request was not that we find no violation occurred,
20 but that the Commission reconsider its proposed
21 suspension.

22 Of course, under the Code of State
23 Regulations, at 11 45-4.410 all employees and
24 occupational licensees while they're on the
25 facility on the clock have to have on their

1 possession displayed their casino-issued access
2 badges, and she did not in this case.

3 So the hearing officer did find that
4 a violation occurred and that Ms. Benedick is
5 subject to discipline. She requested
6 reconsideration of the preliminary order for 90
7 days. The hearing officer reviewed the violation
8 reports from similar situations that were submitted
9 in the packet and noted that in some of these cases
10 licensees have received discipline for failure to
11 present their ID badges ranging anywhere from a
12 simple compliance directive all the way to
13 revocation.

14 So I kind of had the whole scale here
15 to look at and see through. So what I did was I
16 weighed some aggravating and mitigating factors.
17 Certainly as an aggravating factor she was not
18 honest at the outset. She asked another employee
19 basically to lie. However, that was rather
20 short-lived, and when confronted by the boat
21 officers, she quickly turned around and became
22 truthful.

23 As a mitigating factor, she was
24 truthful at hearing, and she had served 30 days
25 suspension with her employer. She was very

1 cooperative. Therefore, the hearing officer did
2 find that her conduct is serious and it does
3 warrant discipline. However, I didn't believe that
4 90 days was appropriate under the circumstance, and
5 would ask that the Commission vacate the 90 days
6 and impose a 30-day suspension as proper and
7 appropriate discipline.

8 CHAIRMAN KOHN: Mr. Wolford, how did
9 the first 30-day suspension, was that by the
10 casino?

11 MR. WOLFORD: Correct. That was
12 leave without pay from her employer. Ms. Benedick
13 is present, so she can explain that more.

14 CHAIRMAN KOHN: But we were not
15 involved in that?

16 MR. WOLFORD: We weren't involved
17 with that, and she wouldn't get credit for time
18 served, so to speak.

19 COMMISSIONER LOMBARDO: That was my
20 question, concurrent or consecutive.

21 MR. WOLFORD: Correct.

22 CHAIRMAN KOHN: Any other questions
23 of this witness?

24 COMMISSIONER LOMBARDO: No. That got
25 right to it.

1 CHAIRMAN KOHN: Any other questions
2 for Mr. Wolford?

3 COMMISSIONER FINNEY: Just one.
4 Mr. Wolford, you said she had a change of heart and
5 started to be truthful. Was that because she
6 was -- they had her anyway or was that because --

7 MR. WOLFORD: I think it's human
8 instinct. We all want to try to cover our back
9 sides at the outset, but she did. And it was at
10 the casino, at the interview with the trooper she
11 started coming around at that point after she had
12 initially lied.

13 COMMISSIONER FINNEY: That was after
14 they let her know that they had the goods on her,
15 so to speak, and then she comes around or was
16 that -- do you see my question?

17 MR. WOLFORD: Yeah, I understand what
18 you're saying. It was early in the process. I
19 can't say for certain from my memory whether they
20 showed the surveillance video and said, look, here
21 he is letting you in, but it was early in the
22 proceeding.

23 COMMISSIONER FINNEY: Thank you.

24 CHAIRMAN KOHN: Any other questions
25 for Mr. Wolford?

1 Ms. Benedick is here?

2 MS. BENEDICK: Yes.

3 CHAIRMAN KOHN: Did you have anything
4 you wanted to address the Commission with?

5 MS. BENEDICK: I would, please.

6 CHAIRMAN KOHN: Would you identify
7 yourself for the record, please.

8 MS. BENEDICK: Yes. Amanda Benedick,
9 Internal Communications Manager with Pinnacle
10 Entertainment.

11 Good morning. I'm here for two
12 reasons: One, to acknowledge the severity of my
13 actions, and two, to personally apologize to the
14 Commission, to Sergeant Hourihan and to my
15 employers.

16 The incident in question, I was
17 dishonest. I was trying to protect somebody who
18 was also involved in this, and I stepped out of
19 character and I lied, and I'm so ashamed of that
20 action. I'm embarrassed by the time and energies
21 that have been spent on this matter on my behalf.
22 I truly wish I could step back and have followed
23 Sergeant Hourihan's directive, given him my trust
24 and been honest from the get go. We would not be
25 here today. And for that I am truly sorry.

1 I do not feel this is indicative of
2 my -- who I am and my personality. I understand
3 the reflection it has on me, and I can assure you
4 this is not behavior you will see again in the
5 future. Thank you.

6 CHAIRMAN KOHN: Thank you,
7 Ms. Benedick. Any questions?

8 COMMISSIONER LOMBARDO: You have a
9 hand.

10 CHAIRMAN KOHN: Wait a second.
11 Finish questions for Ms. Benedick first.

12 COMMISSIONER FINNEY: What do you
13 think would be a fair disposition in this matter
14 given your recent -- your testimony right now?

15 MS. BENEDICK: That's a good
16 question. I feel the 30 days that I have served
17 was time well spent reflecting on my actions and
18 the decision I made. I can assure you it was
19 punishment and realizing this will never be
20 something I'll ever do again.

21 COMMISSIONER FINNEY: Thank you.

22 CHAIRMAN KOHN: Anything else for
23 Ms. Benedick? We'll get to you in a second.
24 Ms. Kerr, anything?

25 MS. KERR: Yes. I just want to make

1 a few points. Chairman, Commissioners.
2 Ms. Benedick was an upper level manager, and she
3 lied to -- she lied to the security officer,
4 surveillance at the casino, the surveillance or
5 casino personnel, and she lied to the Missouri
6 Gaming Commission.

7 Her initial statement to us was a
8 lie. It was only after the initial -- after her
9 written statement and after she was confronted with
10 the fact that basically we know you lied to the
11 surveillance personnel, we know you lied to
12 security, you're lying to us now, that she turned
13 around and admitted that she had been untruthful to
14 the Gaming Commission.

15 She also -- at some point during the
16 investigation she did -- she sent a text to her
17 subordinate, the person that she had called earlier
18 to let her in, and told him, if they ask, just say
19 you let me in. So basically she -- not only did
20 she -- was she untruthful to the Commission, she
21 tried to get a subordinate to cover for her, to lie
22 for her. He did not, and so he did not get any
23 discipline.

24 But it's because of these facts that
25 the Commission does not believe that the hearing

1 officer's proposed discipline is sufficient and
2 that the Commission's recommendation of 90 days
3 suspension should be upheld.

4 CHAIRMAN KOHN: Any questions of
5 Ms. Kerr?

6 Okay. I assume you're Ms. Benedick's
7 employer?

8 MR. WALKOFF: I am.

9 CHAIRMAN KOHN: You may come up.

10 MR. WALKOFF: Thank you. Thank you
11 very much. My name is Neil Walkoff. I'm Executive
12 Vice President of Operations. I'm based out of
13 St. Louis. Previously I was General Manager of
14 River City, and I began my career at Pinnacle of
15 River City in 2010.

16 I've worked with Amanda for over
17 seven years now, and there's no disputing that
18 Amanda used very, very poor judgment. That's not
19 under debate, and it's something that's unequivocal
20 and we understand that. I can tell you that this
21 is not indicative of Amanda's character. She very
22 much cares about making the right decisions, and up
23 until this incident she's always acted with the
24 highest integrity, very much cares about people,
25 very much cares about being truthful, but used

1 very, very poor judgment in this instance and
2 clearly she understands that.

3 On behalf of Pinnacle and Amanda, we
4 apologize to Sergeant Hourihan. We apologize to
5 the Commission. As a matter of fact, we made the
6 decision with Amanda to suspend her without pay for
7 30 days in July. Recognizing that this is
8 something that's significant and fair, we think
9 that -- we believe that the 30 days that she spent
10 unpaid suspension is fair for this incident,
11 knowing that she has no past behavior of this, and
12 we have seen witness -- if we felt that she had --
13 if this character she indicative of her behavior,
14 she would not be with our company.

15 We don't believe that, and we ask
16 that the 30 days that she served without pay be
17 seen as significant and fair and we would just ask
18 for your consideration.

19 CHAIRMAN KOHN: Thank very much. Any
20 questions?

21 Okay. I will now ask the
22 Commissioners whether you wish to go into closed
23 session to discuss these two matters.

24 COMMISSIONER JAMISON: I'll move
25 that.

1 COMMISSIONER LOMBARDO: I'll second.

2 COMMISSIONER JAMISON: I move for a
3 closed meeting under Sections 313.847, Revised
4 Missouri Statutes, investigatory and application
5 records, and 610.021, subparagraph 1, Revised
6 Missouri Statutes, legal actions, and subparagraph
7 14, records protected from disclosure by law.

8 COMMISSIONER LOMBARDO: Second.

9 CHAIRMAN KOHN: Angie.

10 MS. FRANKS: Commissioner Finney?

11 COMMISSIONER FINNEY: Approve.

12 MS. FRANKS: Commissioner Lombardo?

13 COMMISSIONER LOMBARDO: Approved.

14 MS. FRANKS: Commissioner Neer?

15 COMMISSIONER NEER: Approved.

16 MS. FRANKS: Commissioner Jamison?

17 COMMISSIONER JAMISON: Approved.

18 MS. FRANKS: Chairman Kohn?

19 CHAIRMAN KOHN: Approved.

20 Let me say a couple things. One, we
21 will go into closed session, obviously, and we will
22 also try and make it as speedy as we can because
23 we've already spent an hour on these two matters
24 and we've got several more important issues to take
25 up. However, if I were sitting out there, I'd be

1 thinking, especially in the Le matter, the casinos
2 deal with millions of dollars a year. Why are you
3 spending all this time over \$1,500? And let me
4 tell you that I think it's more important than just
5 the \$1,500. There's some principles involved here,
6 which have far-reaching effect beyond this
7 particular incident, even possibly resulting in
8 some additional rules that we may want to think
9 about.

10 So yes, it's a relatively minor in
11 the overall scheme of things issue, but this and
12 Ms. Benedick's issue are both important, and so we
13 will take the time to consider them and come back
14 and vote on both of these and then go on with the
15 other items. Thank you.

16 (A CLOSED SESSION WAS HELD.)

17 CHAIRMAN KOHN: Okay. We will resume
18 our open session. Is there a motion with respect
19 to Resolution No. 18-015?

20 COMMISSIONER FINNEY: I move to
21 approve the adoption of the resolution amended to
22 ten days.

23 COMMISSIONER LOMBARDO: Second.

24 CHAIRMAN KOHN: Discussion on the
25 motion? Angie.

1 MS. FRANKS: Commissioner Finney?

2 COMMISSIONER FINNEY: Approve.

3 MS. FRANKS: Commissioner Lombardo?

4 COMMISSIONER LOMBARDO: Approved.

5 MS. FRANKS: Commissioner Neer?

6 COMMISSIONER NEER: Approved.

7 MS. FRANKS: Commissioner Jamison?

8 COMMISSIONER JAMISON: Approved.

9 MS. FRANKS: Chairman Kohn?

10 CHAIRMAN KOHN: Approved.

11 MS. FRANKS: By your vote, you've
12 adopted Resolution No. 18-015 amended to ten days.

13 CHAIRMAN KOHN: Is there a motion
14 with respect to Resolution 18-016?

15 COMMISSIONER FINNEY: I move to
16 approve the adoption of the hearing officer's
17 recommendation.

18 CHAIRMAN KOHN: Is there a second?

19 COMMISSIONER JAMISON: Second.

20 CHAIRMAN KOHN: Discussion on the
21 motion? Angie.

22 MS. FRANKS: Commissioner Finney?

23 COMMISSIONER FINNEY: Approve.

24 MS. FRANKS: Commissioner Lombardo?

25 COMMISSIONER LOMBARDO: Approved.

1 MS. FRANKS: Commissioner Neer?

2 COMMISSIONER NEER: No.

3 MS. FRANKS: Commissioner Jamison?

4 COMMISSIONER JAMISON: Approved.

5 MS. FRANKS: Chairman Kohn?

6 CHAIRMAN KOHN: Approved.

7 MS. FRANKS: By your vote, you've
8 adopted Resolution No. 18-016

9 CHAIRMAN KOHN: Thank you.

10 Mr. Seibert.

11 MR. McGRAIL: The next item is
12 consideration of relicensure of a Class A license,
13 and Troy Stremming will be making the presentation.

14 CHAIRMAN KOHN: Troy thought he was
15 going to spend several days in Jeff City, didn't
16 you?

17 MR. STREMMING: As little bit of time
18 over at the Capitol as I have to, I will say that.

19 Good morning, Mr. Chairman. Good
20 morning, Commissioners, Executive Director. My
21 name is Troy Stremming. I'm Executive Vice
22 President Government Relations and Public Affairs
23 for Pinnacle Entertainment. Happy to be here today
24 to present on behalf of Pinnacle for our Class A
25 license renewal.

1 I have some colleagues here with me
2 today as well. I'd ask that they stand as I
3 mention them. Neil Walkoff, who you met earlier,
4 our Executive Vice President of Operations. Ward
5 Shaw, who is Vice President and General Manager of
6 our Ameristar Casino - St. Charles property. Chris
7 Plant is our Vice President and General Manager of
8 River City Casino. And Julie Allen is Director of
9 Regulatory Compliance for Ameristar Casino -
10 Kansas City.

11 I know that you received our packet
12 of information answering the questions that you had
13 asked for electronically, and we have that same
14 presentation with me here. And I'll just go
15 through it briefly, and if you have questions,
16 you'd like me to stop, please let me know.
17 Otherwise, at the end I'll answer any questions you
18 might have. And I'll try to get through it pretty
19 quickly. I know you've had it in advance.

20 Our first slide here just shows the
21 spectrum of Pinnacle across the United States. We
22 have now approximately 16,500 team members
23 company-wide in ten states. When you look at each
24 of those properties, the numbers really start to
25 add up. We have approximately 16 restaurants, over

1 4,800 hotel rooms, 124 restaurants, and over 24,000
2 gaming devices across the U.S.

3 Our next slide just speaks to the
4 historical financial performance that Pinnacle has
5 had from 2008 to 2017, and you can see from these
6 graphs that 1.6 billion or 175 percent net revenue
7 growth over that period, 545 million or 347 percent
8 of EBITDAR growth, and nearly 11 percent point
9 improvement in margin. So the graph there, thanks
10 to some of these gentlemen that are here in the
11 audience, they're going the right direction.

12 This page just speaks a little bit to
13 historical debt and the cost of borrowing of our
14 company. You'll see since 2008 the cost of
15 borrowing is down from 7.9 percent in 2008 to
16 4.7 percent in 2017, and along with that debt is --
17 has went down substantially as well. You'll see
18 that we had a high of \$4.4 billion in debt in 2013.
19 That number is down now significantly to just over
20 \$800 million. And obviously the GLPI transaction
21 where we spun off the real estate had a huge impact
22 on debt as well as cost of borrowing.

23 This slide just speaks to the
24 evolution of Pinnacle just over the last eight
25 years or so. You can see -- I won't go through

1 each one of those bullet points, but there are a
2 couple that are significant to Missouri. In 2010
3 we opened the River City Casino in St. Louis, and
4 in 2013 the acquisition of Ameristar Casinos and
5 the properties in Missouri made a significant
6 impact on the evolution of the company. And during
7 that time we've grown from 7 properties to 16, and
8 \$1.1 billion in net revenue to approximately
9 2.6 billion in 2017.

10 As you would imagine, when debt goes
11 down and cost of borrowing goes down and those
12 other numbers that I showed you, that the share
13 price performance is very positive. Since the
14 spinoff on April 28th that I just spoke about of
15 2016, Pinnacle Entertainment share price has
16 increased by 176 percent. So it continues to be
17 moving in the right direction, and we're very
18 pleased with that.

19 Wanted to speak just a moment about
20 the economic impact in Missouri, and this page has
21 both the employee compensation as well as taxes and
22 local impact. I'll just speak to the year 2017
23 here, the most recent. In fiscal year ended June
24 2017, Ameristar St. Charles, Ameristar Kansas City
25 and River City generated \$210 million in tax

1 revenue and city lease payments to the state and
2 the home dock cities and 120 -- almost \$127 million
3 in total employee compensation. So those numbers
4 really do add up having three properties in the
5 state of Missouri.

6 We're very proud of the fact that
7 with those revenues and EBITDAR, we continue to
8 reinvest in the properties in Missouri. The
9 capital in Missouri over the last few years has
10 been significant. You can see that almost
11 \$40 million of capital has been invested in
12 St. Charles over that three-year period since our
13 last licensure, \$30 million of capital invested in
14 Kansas City, and 16 and a half million invested in
15 River City. And just depending on the three-year
16 cycle that we're looking at, those numbers could be
17 different between the properties.

18 A lot of that stuff is just
19 maintenance capital, in addition to some of these
20 pictures that I will show you here. The properties
21 that might be in a cycle where they have more
22 significant maintenance capital, the number might
23 be higher. I know, for example, St. Charles and
24 Kansas City have had some significant maintenance
25 issues over the last few years as well.

1 But the things that we like to show
2 the pictures of are obviously the things that
3 continue to grow our business and draw guests into
4 our property. In River City, Cibare Italian
5 Restaurant opened over the licensure period. It
6 has been a huge asset. Our guests have really
7 enjoyed it, and it really adds nice atmosphere to
8 the entry of the River City property. Also at
9 River City you have the Asian Gaming and Dining
10 venue that is new.

11 Going to the next page, Asia is a
12 restaurant that we have added at our St. Charles
13 facility. It also has a gaming portion as well.
14 In addition, in St. Charles we have a high limit
15 slot area. I don't think you can see on the bottom
16 of that page, but that's the Kansas City high limit
17 slot area on the left and the high limit table area
18 on the right.

19 Another question that's asked in our
20 relicensing is regarding our MBE and WBE spend and
21 participation. Instead of breaking it down year by
22 year, what we've provided you is that participation
23 from 2014 through 2017. And you'll see over that
24 period that the three Pinnacle properties have
25 spent nearly \$100 million with minority and

1 women-owned vendors since our last licensure, which
2 represents about 28 percent or almost 29 percent of
3 our qualifying spend.

4 And that begs the question, what is
5 something that is qualifying spend, and things that
6 are qualifying are things that we can get from
7 multiple vendors. If there are single source
8 vendors, then obviously we don't look at that as a
9 qualifying spend and it's not included in those
10 numbers.

11 But we know that we can always do
12 better, and I know that the gentlemen that are here
13 today continue to work very hard to try to increase
14 those numbers over time.

15 Our team member demographics reflect
16 really what we -- what our property looks like
17 based on the location. I think that the
18 communities that we operate in, we do a very good
19 job. We have 3,619 team members in the state of
20 Missouri, and that work force is very diverse with
21 43.8 of the team members being minorities in 2017,
22 which is up just slightly, but it's a pretty steady
23 number over the last few years at the properties.
24 And that number actually, that 43.8 percent equates
25 to about 1,585 team members.

1 Next, we just put this in here from a
2 compliance perspective. I think Julie Allen and
3 her counterparts in the state do a great job of
4 making sure that we're communicating with our team
5 members. I know some of those things came up
6 earlier today. It's something that we are
7 constantly doing, and that goes from responsible
8 gaming as you see on the left to key handling,
9 staying out of the drop zone as you see on the
10 right, or particularly even this time of year
11 informing people that participating in March
12 Madness brackets is not something that they can do
13 if they're doing that more than just for fun and
14 they're doing that with the opportunity to win
15 money.

16 One of the last things we'll talk
17 about is bringing our value of care to life. That
18 is one of our -- one of the core values of our
19 company is care, and coming with that is giving
20 back to the community, being involved in the
21 community.

22 In 2017 through our workplace giving
23 campaign, our charitable contributions and the
24 Pinnacle Foundation donations, over \$1.7 million
25 was given by Pinnacle Entertainment and its team

1 members. I think it's worth mentioning that in our
2 workplace giving campaign, the team members in
3 Missouri pledged over \$370,000, which then Pinnacle
4 matches 25 cents on the dollar toward that pledge.
5 And on the lower right are just a list of some of
6 the larger recipients of some of that total of
7 \$963,000 that was pledged.

8 And lastly, we'll just close with
9 this. You know, it's more than just giving money.
10 I'm very proud of the fact that all of our
11 properties are very involved in communities. I
12 think our leadership does a really good job. You
13 see the different colored shirts, and based on the
14 theme those change.

15 We do that not only just to build
16 camaraderie with the team members and give them a
17 free shirt, because they all like free shirts, but
18 also so that we're seen in the community and people
19 know that when they see those Pinnacle Care shirts,
20 they know that our team members are out and making
21 a difference.

22 So that concludes my formal remarks,
23 and I'd be happy to answer any questions that any
24 of you may have.

25 CHAIRMAN KOHN: Questions of

1 Mr. Stremming? Thank you very much.

2 MR. STREMMING: Thank you.

3 CHAIRMAN KOHN: Investigative report.

4 SERGEANT FINNEGAN: Good morning,

5 Mr. Chairman, Commissioners.

6 Missouri State Highway Patrol
7 investigators conducted the relicensing
8 investigation of one Class A licensee currently
9 licensed in Missouri. This investigation consisted
10 of jurisdictional inquiries, feedback from affected
11 gaming company clients, a review of disciplinary
12 actions, litigation and business credit profiles,
13 as well as a review of the key persons associated
14 with the company.

15 The results of this investigation
16 were provided to the MGC staff for their review,
17 and you possess a comprehensive summary report
18 before you which outline our instigative findings.
19 The following Class A licensee is being presented
20 for your consideration: Pinnacle Entertainment,
21 Incorporated.

22 CHAIRMAN KOHN: Why don't you go
23 ahead and give us all --

24 SERGEANT FINNEGAN: That's it.

25 MR. SEIBERT: The staff does

1 recommend approval.

2 CHAIRMAN KOHN: Is there a motion
3 with respect to Resolution 18-017?

4 COMMISSIONER LOMBARDO: Motion to
5 approve.

6 COMMISSIONER JAMISON: Second.

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

9 MS. FRANKS: Commissioner Finney?

10 COMMISSIONER FINNEY: Approve.

11 MS. FRANKS: Commissioner Lombardo?

12 COMMISSIONER LOMBARDO: Approved.

13 MS. FRANKS: Commissioner Neer?

14 COMMISSIONER NEER: Approved.

15 MS. FRANKS: Commissioner Jamison?

16 COMMISSIONER JAMISON: Approved.

17 MS. FRANKS: Chairman Kohn?

18 CHAIRMAN KOHN: Approved.

19 MS. FRANKS: By your vote, you've
20 adopted Resolution No. 18-017.

21 CHAIRMAN KOHN: Thank you.

22 Mr. Seibert.

23 MR. SEIBERT: Next order of business
24 is consideration of licensure of key business
25 entity. Sergeant Brian Holcomb will present.

1 SERGEANT HOLCOMB: Good morning,
2 Mr. Chairman, Commissioners.

3 Z Capital Affinity Owner, LLC is
4 being presented for licensure as a key business
5 entity associated with Affinity. Affinity Gaming
6 is a Class A licensee and the parent company of two
7 Class B licensees: HGI Mark Twain, LLC, which
8 operates Mark Twain Casino; and HGI-St. Jo, LLC,
9 which operates St. Jo Frontier Casino.

10 11 CSR 45-10.040 requires prior
11 approval from the Commission for any sale that
12 would constitute a change of control, which is
13 defined in the rule as any acquisition of ownership
14 that exceeds 25 percent.

15 On December 7, 2016, the Commission
16 granted prior approval for a change of control in
17 response to a joint petition filed by Z Capital
18 Group, LLC and Affinity Gaming, wherein Z Capital
19 Group would increase its ownership of Affinity
20 Gaming from approximately 41 percent at the time of
21 the petition to acquiring all outstanding shares of
22 Affinity Gaming stock.

23 Z Capital Group completed the
24 acquisition of Affinity Gaming on February 1, 2017,
25 and placed the assets in a newly formed subsidiary

1 company named Z Capital Affinity Owner, LLC.

2 Missouri state Highway Patrol and
3 Missouri Gaming Commission investigators conducted
4 an investigation of Z Capital Affinity Owner, LLC
5 and examined the results of the completed
6 acquisition. A summary of this investigation was
7 provided to the Commission staff for their review,
8 and investigators are present to answer any
9 questions you may have.

10 CHAIRMAN KOHN: Any questions? Is
11 there a motion with respect to Resolution 18-018?

12 COMMISSIONER JAMISON: Move for
13 adoption.

14 COMMISSIONER FINNEY: Second.

15 CHAIRMAN KOHN: Discussion on the
16 motion? Angie.

17 MS. FRANKS: Commissioner Finney?

18 COMMISSIONER FINNEY: Approve.

19 MS. FRANKS: Commissioner Lombardo?

20 COMMISSIONER LOMBARDO: Approved.

21 MS. FRANKS: Commissioner Neer?

22 COMMISSIONER NEER: Approved.

23 MS. FRANKS: Commissioner Jamison?

24 COMMISSIONER JAMISON: Approved.

25 MS. FRANKS: Chairman Kohn?

1 CHAIRMAN KOHN: Approved.

2 MS. FRANKS: By your vote, you've
3 adopted Resolution No. 18-018.

4 CHAIRMAN KOHN: Thank you, Sergeant.
5 Mr. Seibert.

6 MR. SEIBERT: The next order of
7 business is consideration of licensure of Level I
8 and key applicants. Sergeant Brian Holcomb will
9 present.

10 SERGEANT HOLCOMB: Thank you.
11 Missouri State Highway Patrol investigators, along
12 with Missouri Gaming Commission financial
13 investigators, conducted comprehensive background
14 investigations on multiple key and Level I
15 applicants. These investigations included, but
16 were not limited to, criminal, financial and
17 general character inquiries which were made in the
18 jurisdictions where the applicants lived, worked
19 and frequented.

20 The following individuals are being
21 presented for your consideration: Keith W.
22 Henson, Senior Vice President and General Manager
23 at Ameristar Kansas City, LLC; Steven L. Golphenee,
24 Director of Surveillance, Ameristar Casino
25 St. Charles, LLC; Trevor J. Croker, Chief Executive

1 Officer, Aristocrat Leisure Limited; Karl O.
2 Stingily III, Senior Vice President and Chief Audit
3 Executive, Caesars Enterprises Services, LLC; Peter
4 H. Broughton, Senior Vice President of Information
5 Technology, Eldorado Resorts, Incorporated; Kathy
6 M. Lowe, Surveillance Manager, IOC - Cape
7 Girardeau, LLC; Sandra A. Bane, Director of
8 Finance, IOC - Kansas City, Incorporated; Timothy
9 J. Bollmann, Director of Operations, IOC - Kansas
10 City, Incorporated; Joshua D. Thompson, Information
11 Technology Manager, IOC - Kansas City,
12 Incorporated; and David K. Schiele, Director of
13 Surveillance, River City Casino, St. Louis.

14 The results of these investigations
15 were provided to the Gaming Commission staff, and
16 investigating officers are present to answer any
17 questions you might have.

18 CHAIRMAN KOHN: Any questions of
19 Sergeant Holcomb? Is there a motion with respect
20 Resolution 18-019?

21 COMMISSIONER NEER: Motion to
22 approve.

23 COMMISSIONER LOMBARDO: Second.

24 CHAIRMAN KOHN: Discussion on the
25 motion? Angie.

1 MS. FRANKS: Commissioner Finney?

2 COMMISSIONER FINNEY: Approve.

3 MS. FRANKS: Commissioner Lombardo?

4 COMMISSIONER LOMBARDO: Approved.

5 MS. FRANKS: Commissioner Neer?

6 COMMISSIONER NEER: Approved.

7 MS. FRANKS: Commissioner Jamison?

8 COMMISSIONER JAMISON: Approved.

9 MS. FRANKS: Chairman Kohn?

10 CHAIRMAN KOHN: Approved.

11 MS. FRANKS: By your vote, you've
12 adopted Resolution No. 18-019.

13 CHAIRMAN KOHN: Thank you, Sergeant.

14 All right, Ed. You've got four minutes.

15 MR. GREWACH: Four minutes. All
16 right. Glad to hear that. Under Tabs I, J, K and
17 L, you'll see Final Orders of Rulemaking rescinding
18 124 rules. These final orders are a result of a
19 review undertaking in compliance with the
20 Governor's Executive Order 17-03 and state statute
21 536.175. The --

22 CHAIRMAN KOHN: And we'll discuss
23 each one separately?

24 MR. GREWACH: Correct. I will go
25 over the history of each one also.

1 CHAIRMAN KOHN: What we'll do is
2 we'll have one vote on everything under I, J, K and
3 L.

4 MR. GREWACH: We've received no
5 written comments. If the Commission approves these
6 final orders, they'll be effective on July 31st,
7 2010 (sic). And again, under I we have rescission
8 of rules that overlap, duplicate or conflict with
9 another statute or rule. Be happy to answer any
10 questions.

11 CHAIRMAN KOHN: Any questions? Is
12 there a motion with respect to -- there's no number
13 on this either -- all the rules under Tab I?

14 COMMISSIONER JAMISON: I move for
15 adoption of the rescission of rules and regulations
16 that are listed under subsection I, VII(I).

17 CHAIRMAN KOHN: Is there a second?

18 COMMISSIONER FINNEY: Second.

19 CHAIRMAN KOHN: Discussion on the
20 motion? Angie.

21 MS. FRANKS: Commissioner Finney?

22 COMMISSIONER FINNEY: Approve.

23 MS. FRANKS: Commissioner Lombardo?

24 COMMISSIONER LOMBARDO: Approved.

25 MS. FRANKS: Commissioner Neer?

1 COMMISSIONER NEER: Approved.

2 MS. FRANKS: Commissioner Jamison?

3 COMMISSIONER JAMISON: Approved.

4 MS. FRANKS: Chairman Kohn?

5 CHAIRMAN KOHN: Approved.

6 MS. FRANKS: By your vote, you've
7 adopted the rescission of the rules and regulations
8 under Tab I.

9 CHAIRMAN KOHN: Thank you. Ed, J.

10 MR. GREWACH: Tab J we have
11 rescission of rules that are obsolete, unnecessary
12 or not essential to the health, safety or welfare
13 of Missouri residents. I'd be happy to answer any
14 questions.

15 CHAIRMAN KOHN: Any questions of Ed
16 under items under Section J? Is there a motion?

17 COMMISSIONER JAMISON: I move for the
18 rescission of rules and regulations that are listed
19 under Section J.

20 CHAIRMAN KOHN: Is there a second?

21 COMMISSIONER FINNEY: Second.

22 CHAIRMAN KOHN: Discussion on the
23 motion? Angie.

24 MS. FRANKS: Commissioner Finney?

25 COMMISSIONER FINNEY: Approve.

1 MS. FRANKS: Commissioner Lombardo?

2 COMMISSIONER LOMBARDO: Approved.

3 MS. FRANKS: Commissioner Neer?

4 COMMISSIONER NEER: Approved.

5 MS. FRANKS: Commissioner Jamison?

6 COMMISSIONER JAMISON: Approved.

7 MS. FRANKS: Chairman Kohn?

8 CHAIRMAN KOHN: Approved.

9 MS. FRANKS: By your vote, you've
10 adopted the rescission of the rules and regulations
11 under Tab J.

12 CHAIRMAN KOHN: Ed, K.

13 MR. GREWACH: Under K we have
14 rescission of rules for which the cost of the
15 regulation outweigh their benefits.

16 CHAIRMAN KOHN: Is there a motion
17 with respect to those rescission of rules and
18 regulations under Section K?

19 COMMISSIONER NEER: Motion to approve
20 the rescission of rules and regulations for which
21 the cost of the regulation outweigh the benefits
22 listed under K.

23 COMMISSIONER LOMBARDO: Second.

24 CHAIRMAN KOHN: Discussion? Angie.

25 MS. FRANKS: Commissioner Finney?

1 COMMISSIONER FINNEY: Approve.

2 MS. FRANKS: Commissioner Lombardo?

3 COMMISSIONER LOMBARDO: Approved.

4 MS. FRANKS: Commissioner Neer?

5 COMMISSIONER NEER: Approved.

6 MS. FRANKS: Commissioner Jamison?

7 COMMISSIONER JAMISON: Approved.

8 MS. FRANKS: Chairman Kohn?

9 CHAIRMAN KOHN: Approved.

10 MS. FRANKS: By your vote, you've
11 adopted the rescission of the rules and regulations
12 under Tab K.

13 CHAIRMAN KOHN: L.

14 MR. GREWACH: Under L we have
15 rescission of rules and regulations relating to
16 horse racing.

17 CHAIRMAN KOHN: Is there a motion
18 with respect to the rescission of rules and
19 regulations listed in Section L?

20 COMMISSIONER JAMISON: I move for the
21 rescission of rules and regulations under
22 Section L.

23 COMMISSIONER FINNEY: Second.

24 CHAIRMAN KOHN: Discussion on the
25 motion? Angie.

1 MS. FRANKS: Commissioner Finney?

2 COMMISSIONER FINNEY: Approve.

3 MS. FRANKS: Commissioner Lombardo?

4 COMMISSIONER LOMBARDO: Approved.

5 MS. FRANKS: Commissioner Neer?

6 COMMISSIONER NEER: Approved.

7 MS. FRANKS: Commissioner Jamison?

8 COMMISSIONER JAMISON: Approved.

9 MS. FRANKS: Chairman Kohn?

10 CHAIRMAN KOHN: Approved.

11 MS. FRANKS: By your vote, you've
12 adopted the rescission of rules and regulations
13 under Tab L.

14 CHAIRMAN KOHN: I can't help but
15 comment on the huge number of rules that are no
16 longer necessary. Is that -- anything you want to
17 say about that? How did we get to this point?

18 MR. GREWACH: The review has really
19 been very helpful. You'll see the bulk of them
20 under horse racing, and the thing with the horse
21 racing is it was legalized in 1986. There were one
22 race each year in '86, '87, '88. Originally it was
23 under Department of Revenue. They adopted these
24 rules. There's been no races since then.

25 In the intervening 30 years, there's

1 no serving members of the Horse Racing Commission.
2 If someone wanted to start a horse racing
3 enterprise, there's so many steps that would have
4 to be done. You would have to -- the Governor
5 would have to appoint members of the Horse Racing
6 Commission.

7 We did leave in the rules the rules
8 relating to application, so we could start the
9 application and investigation process. But our
10 view of that concurrently is you have 30-year-old
11 rules that haven't been used. I'm sure technology
12 from '86 till now has radically changed, and the
13 rules we have really wouldn't be adequate.

14 So I think even if we didn't rescind
15 them, you'd be looking at a complete rewrite of all
16 of those. We would have to acquire personnel
17 familiar with horse racing to guide us through that
18 rulemaking process.

19 CHAIRMAN KOHN: You say most of these
20 are with respect to horse racing. What percentage
21 would you say?

22 MR. GREWACH: I think there are 90
23 out of the 124 that relate to horse racing.

24 CHAIRMAN KOHN: I think that
25 concludes our open meeting. Ed, believe it or not,

1 you made it. Is there a motion to go into closed
2 session?

3 COMMISSIONER JAMISON: I move to go
4 into a closed meeting under Sections 313.847 and
5 313.945, Revised Missouri Statutes, investigatory,
6 proprietary and application records, and 610.021,
7 subparagraph 1, Revised Missouri Statutes, legal
8 actions, subparagraph 3 and subparagraph 13,
9 personnel, and subparagraph 14 records protected
10 from disclosure by law.

11 CHAIRMAN KOHN: Is there a second?

12 COMMISSIONER FINNEY: Second.

13 CHAIRMAN KOHN: Angie.

14 MS. FRANKS: Commissioner Finney?

15 COMMISSIONER FINNEY: Approve.

16 MS. FRANKS: Commissioner Lombardo?

17 COMMISSIONER LOMBARDO: Approved.

18 MS. FRANKS: Commissioner Neer?

19 COMMISSIONER NEER: Approved.

20 MS. FRANKS: Commissioner Jamison?

21 COMMISSIONER JAMISON: Approved.

22 MS. FRANKS: Chairman Kohn?

23 CHAIRMAN KOHN: Approved. We are
24 going to go into closed session. It's unlikely,
25 but we may come back out to reopen the open

1 session. If you care to, you're welcome to stay
2 for that. It's unlikely. So thank you for coming
3 and we'll see you next month.

4 (WHEREUPON, the public session of the
5 meeting concluded at 12:01 p.m.)

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1 C E R T I F I C A T E

2

3 STATE OF MISSOURI)

4) ss.

5 COUNTY OF COLE)

6

7 I, Kellene K. Feddersen, Certified
8 Shorthand Reporter with the firm of Alaris
9 Litigation Services, do hereby certify that I was
10 personally present at the proceedings had in the
11 above-entitled cause at the time and place set
12 forth in the caption sheet thereof; that I then and
13 there took down in Stenotype the proceedings had;
14 and that the foregoing is a full, true and correct
15 transcript of such Stenotype notes so made at such
16 time and place.

17 Given at my office in the City of
18 Jefferson, County of Cole, State of Missouri.

19

20

21

22

23 _____
Kellene K. Feddersen, RPR, CSR, CCR

24

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MISSOURI GAMING COMMISSION
Open Session Minutes
March 28, 2018

The Missouri Gaming Commission (the “Commission”) went into open session at approximately 12:35 p.m. on March 28, 2018, at the Jefferson City office of the Missouri Gaming Commission.

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

The meeting ended at 12:36 p.m.