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MISSOURI GAMING COMMISSION

OPEN MEETING

April 25, 2018

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MISSOURI GAMING COMMISSION

Open Meeting

Missouri Gaming Commission

3417 Knipp Drive

Jefferson City, Missouri

April 25, 2018

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

REPORTED BY:

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1 (WHEREUPON, the open meeting began at
2 9:00 a.m.)

3 CHAIRMAN KOHN: Morning, everybody. We'll
4 call the meeting of the Missouri Gaming Commission of
5 April 25th to order.

6 Angie, please call the roll.

7 MS. FRANKS: Commissioner Finney.

8 (No response.)

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.

17 We have a quorum. We're ready to proceed
18 with the meeting. We have some presentations this
19 morning.

20 Captain Plunkett.

21 MS. FRANKS: No, we don't.

22 CHAIRMAN KOHN: We don't? Okay. And we're
23 missing one commissioner too. So we'll going ahead
24 without him.

25 Let's consider the minutes of the March 28

1 meeting. Is there a motion to approve?

2 COMMISSIONER NEER: Motion to approve.

3 COMMISSIONER LOMBARDO: Second.

4 CHAIRMAN KOHN: Angie.

5 MS. FRANKS: Commissioner Lombardo.

6 COMMISSIONER LOMBARDO: Approved.

7 MS. FRANKS: Commissioner Neer.

8 COMMISSIONER NEER: Approved.

9 MS. FRANKS: Commissioner Jamison.

10 COMMISSIONER JAMISON: Approved.

11 MS. FRANKS: Chairman Kohn.

12 CHAIRMAN KOHN: Approved.

13 MS. FRANKS: By your vote you've adopted the
14 minutes of the March 28, 2018 meeting.

15 CHAIRMAN KOHN: Okay. We're ready to begin
16 business.

17 Mr. Seibert.

18 MR. SEIBERT: First order of business this
19 morning, Mr. Chairman, is consideration of a happy
20 birthday to you that was yesterday.

21 COMMISSIONER JAMISON: So there is a
22 presentation.

23 COMMISSIONER LOMBARDO: I wonder where he
24 heard that.

25 CHAIRMAN KOHN: You're out of order.

1 MR. SEIBERT: I do wish you a happy birthday.

2 The first order of business is consideration
3 of hearing officer recommendations. Mr. Brian Wolford
4 will present.

5 CHAIRMAN KOHN: Mr. Wolford.

6 MR. WOLFORD: Thank you, Mr. Director,
7 Commissioners, Mr. Chairman.

8 For your consideration, Resolution Number
9 18-020, the matter of Geneen Harper. Ms. Harper was a
10 level 2 license holder, employed as a table games dealer
11 at the Lumiere Place Casino. However, the relevant
12 events took place at River City Casino.

13 On June 22nd, 2012 Ms. Harper voluntarily
14 enrolled in the Disassociated Persons, or DAP, Program.
15 That's where she reports to the Commission that she wants
16 to be on the Disassociated Persons, DAP, list. Once
17 she's on that list, the rules state that she cannot be on
18 the gaming floor of any facility to gamble, to play
19 games. She can still work through her level 2 license,
20 but she cannot conduct any sort of gaming or gambling
21 activity. If she does, she will be -- she could be
22 arrested for trespass.

23 Now, once you're on the DAP list, it's a
24 lifetime appointment to that list. However, after a
25 period of five years from the date of your enrollment,

1 you could petition to be voluntarily removed from the
2 list. So, again, she was approved to be on the list on
3 June 25th, 2012. Now, the date's somewhat important
4 here.

5 The date of the incident is May 12th, 2017.
6 While she was still a DAP, Ms. Harper was gambling on a
7 slot machine at the River City Casino using someone
8 else's player's card. She had taken her fiance's
9 player's card, put it in the machine, and she was
10 gambling on the slots.

11 Surveillance contacted the Gaming
12 Commission's boat agent on duty and notified them that
13 Ms. Harper was a possible Disassociated Person. The
14 Commission's boat agent went to check her ID, and at
15 first she denied who she was; she didn't admit she was
16 Geneen Harper. Later she did produce a valid ID that the
17 boat officer used to cross-check with the DAP list and
18 determined that she was, indeed, on that Disassociated
19 Persons list. So she was arrested for first-degree
20 trespass. It's not entirely relevant, but she later pled
21 guilty to an amended charge. It was amended down to a
22 loitering rather than a trespass.

23 At hearing Ms. Harper testified that she
24 thought that she was no longer on the DAP list and that
25 she voluntari-- then that it expired after five years.

1 Two problems with that. First of all, in the letter that
2 she received after she signed up to be a DAP, it said, in
3 quite conspicuous bold type, you are on this list for
4 life; you can petition to be off this list after five
5 years. Her five-year date would have been June 25th,
6 2017, and date of the incident was May 12th, 2017. She
7 had not taken any affirmative action on her part to have
8 herself removed from the DAP list. Through her denial of
9 her identity at first, it went to the credibility of her
10 testimony at hearing.

11 Under the Code of State Regulations at 11 CSR
12 45-17.010, it does state quite clearly that anyone who's
13 on the DAP list can be arrested for criminal trespass;
14 and she was, in fact, arrested for trespass.

15 Based on the evidence presented at hearing,
16 the hearing officer recommends that the Commission
17 approve revocation as just and appropriate discipline in
18 this action.

19 I'd be happy to answer any questions.

20 CHAIRMAN KOHN: Any questions of
21 Mr. Wolford?

22 Is Ms. Harper here or a representative of
23 Ms. Harper?

24 Okay. Do we have a motion with respect to
25 Resolution Number 18-020?

1 COMMISSIONER JAMISON: Move for adoption.

2 COMMISSIONER NEER: Second.

3 CHAIRMAN KOHN: Discussion on the motion?

4 Angie.

5 MS. FRANKS: Commissioner Lombardo.

6 COMMISSIONER LOMBARDO: Approved.

7 MS. FRANKS: Commissioner Neer.

8 COMMISSIONER NEER: Approved.

9 MS. FRANKS: Commissioner Jamison.

10 COMMISSIONER JAMISON: Approved.

11 MS. FRANKS: Chairman Kohn.

12 CHAIRMAN KOHN: Approved.

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

14 Resolution Number 18-020.

15 CHAIRMAN KOHN: Mr. Wolford.

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

17 For your consideration, Resolution Number

18 18-021, the matter of Mary Laborada. Ms. Laborada was

19 employed as a dealer at Harrah's North Kansas City. On

20 or about November 14th, 2012 the Platte County Prosecutor

21 filed an information against her alleging that she

22 committed the Class A misdemeanor of stealing.

23 The facts regarding this was on February 4th

24 that she allegedly stole money from her employer,

25 Walmart, at the time. On April 18th, 2017 she

1 subsequently pled guilty to the Class A misdemeanor of
2 theft/stealing. The Court gave her a suspended
3 imposition of sentence and placed some other requirements
4 on that.

5 The Commission became aware of this process.
6 And to her credit, Ms. Laborada did keep the Commission
7 aware of the court proceeding as it -- as it stretched
8 out, and all the way through disposition.

9 At hearing she testified that she was not
10 well-informed by her attorney during the criminal court
11 proceedings in Platte County. She claims her attorney
12 told her that she either had to plead guilty or go to
13 jail. She acknowledges that she pled guilty, but said
14 she didn't understand what she was doing at the time.

15 The Code of State Regulations at 11 CSR
16 45-42.60 states that a person is not suitable to hold an
17 occupational gaming license if they have pleaded guilty
18 to a misdemeanor where an essential element of that crime
19 is theft, fraud, and dishonesty. It's a mandatory; it's
20 a shall. And clearly theft is an essential element of
21 the offense of theft/stealing that she entered a guilty
22 plea to.

23 Because she is prohibited from holding an
24 occupational gaming license by the state regulation, the
25 hearing officer recommends revocation as appropriate

1 punishment in this case.

2 I'd be happy to answer any questions.

3 CHAIRMAN KOHN: Any questions of
4 Mr. Wolford?

5 COMMISSIONER LOMBARDO: I have one. Go
6 ahead, you want to go first.

7 CHAIRMAN KOHN: No, go ahead.

8 COMMISSIONER LOMBARDO: Just for
9 clarification, what type of a crime disqualifies somebody
10 from being suitable to hold an occupational license? A
11 felony of any sort is an automatic disqualifier; is that
12 correct?

13 MR. WOLFORD: That's correct. And that's by
14 state statute --

15 COMMISSIONER LOMBARDO: All right.

16 MR. WOLFORD: -- felony.

17 COMMISSIONER LOMBARDO: And then if we look
18 at misdemeanors, basically it's misdemeanors that involve
19 dishonesty?

20 MR. WOLFORD: It's misdemeanors where an
21 essential element of the crime is theft, fraud, or
22 dishonesty, correct.

23 COMMISSIONER LOMBARDO: Okay. And those are
24 the two categories of crimes that would disqualify
25 somebody?

1 MR. WOLFORD: Correct.

2 COMMISSIONER LOMBARDO: All right.

3 CHAIRMAN KOHN: I have a question for you,
4 but I want to know if Ms. Laborada is here.

5 MR. WOLFORD: She is present, Mr. Chair.

6 CHAIRMAN KOHN: We'll get to you in a minute.

7 I got kind of lost in reading the transcript
8 with respect to the number of continuances she had and
9 the advice she was getting from her lawyer. I'm just
10 wondering how we're determining that she failed to report
11 it in a timely manner, when I'm not sure I would have
12 known when to report it.

13 MR. WOLFORD: That was not part of my
14 findings that I made in the case. I didn't find that she
15 was untimely, and I didn't even address the issue.

16 CHAIRMAN KOHN: So the finding is only that
17 she -- she has a misdemeanor, she pled guilty to a
18 misdemeanor, and that's enough?

19 MR. WOLFORD: Correct. That she is
20 prohibited by state regulation from holding a license.

21 CHAIRMAN KOHN: And reporting it or not has
22 nothing to do with your finding?

23 MR. WOLFORD: That is correct.

24 CHAIRMAN KOHN: Okay. Any other questions?

25 Ms. Laborada, are you here alone or do you

1 have a representative?

2 MS. LABORADA: No, I'm here alone, sir.

3 CHAIRMAN KOHN: Okay. Would you please
4 identify yourself for the record?

5 MS. LABORADA: Mary Laborada.

6 CHAIRMAN KOHN: And do you have a statement
7 for us?

8 MS. LABORADA: Thank you for giving me chance
9 to explain myself. I appreciate for that. I work in a
10 Walmart for two years. Nothing happened. As a
11 supervisor, near supervisor at a higher over there, and
12 he take advantage of me. And when I went back to the
13 work, they just handcuff me and take me down to the
14 downtown. And I didn't know what he was taking me for.
15 And they told me they taking me for 24 hours of
16 observation.

17 I asked next day the people over there, I
18 said do I have to notify my job, because I work for
19 22 years in Harrah's. And they told me they don't even
20 know what is the case going to happen. And then when the
21 Gaming called me up to the office, I told them about it,
22 the whole situation. And they said to me -- they're the
23 one help me, actually. They gave me -- Missouri Gaming
24 helped me to find my case to -- pending. They're the one
25 suggested me to get a lawyer, because I didn't have no

1 idea what is happening to me.

2 And when I get the lawyer, lawyer told me the
3 best thing to do pled guilty to this part. And I didn't
4 do it. I have 22 years. I work with dignity. I work
5 for two years right now working for the Dollar Tree, and
6 nothing happen. And all this has happen, please, just
7 consider 22 years. Please don't take my license. This
8 is my bread. Don't take it away from me.

9 CHAIRMAN KOHN: I'm a little confused about
10 the experience in Walmart. When you say you didn't do
11 it, you did not steal anything?

12 MS. LABORADA: It was a supervisor. He told
13 me he would come to my -- he just told me, take the
14 money, you overcharge, put it on any desk/dresser, and he
15 was gone. I come back later to get it. He got fired for
16 the stealing, too, later. It was -- I don't know how
17 long later. But I find out from the people that was
18 coming to the Dollar Tree that told me. He got fired for
19 the stealing.

20 CHAIRMAN KOHN: So the money that you were
21 accused of taking, you didn't take?

22 MR. WOLFORD: No, sir. He told me what to
23 do, and I put it -- I listened to him. But on the camera
24 they see me taking the money and I put it underneath the
25 drawer.

1 CHAIRMAN KOHN: Any other questions?

2 COMMISSIONER LOMBARDO: Not right now.

3 CHAIRMAN KOHN: Thank you very much for being
4 here and for telling us the story.

5 MS. LABORADA: Thank you very much giving me
6 that opportunity.

7 CHAIRMAN KOHN: Is there a motion with
8 respect to Resolution 18-021 or some modified form of it?

9 COMMISSIONER LOMBARDO: Could we discuss this
10 in closed session?

11 CHAIRMAN KOHN: Yeah, I think we should.

12 We're --

13 COMMISSIONER LOMBARDO: Ed.

14 MR. GREWACH: We do have a brief statement to
15 make, Mr. Chairman --

16 CHAIRMAN KOHN: Oh, I'm sorry, go ahead.

17 MR. GREWACH: -- in light of Licensee's
18 statement.

19 MS. KERR: Thank you. Good morning. As the
20 hearing officer has stated, the regulation is clear. It
21 says a licensee's unsuitable to hold an occupational
22 license if while she's licensed she pleads guilty to a
23 misdemeanor crime involving theft. MGC staff has
24 consistently recommended revocation in these cases. As
25 he said, in this case Ms. Laborada voluntarily pled

1 guilty to a misdemeanor stealing based on the allegation
2 that she stole over a thousand dollars from a register
3 while working at Walmart.

4 Based on the facts, staff recommends and
5 supports the hearing officer's recommendation for
6 revocation of Ms. Laborada's occupational gaming license.

7 CHAIRMAN KOHN: Thank you.

8 Any questions of Ms. Kerr?

9 All right. If it's okay with commissioners,
10 we'll take a ten-minute break, going into closed session
11 and come back right out, Brian, please.

12 MR. WOLFORD: Yes.

13 COMMISSIONER JAMISON: I move for a closed
14 meeting under Sections 313.847 and 313.945 Revised
15 Missouri Statutes, investigatory, proprietary, and
16 application records. And that would be the extent of it;
17 correct, Ed?

18 MR. GREWACH: Yes, that's correct.

19 COMMISSIONER LOMBARDO: Second.

20 CHAIRMAN KOHN: Angie.

21 MS. FRANKS: Commissioner Lombardo.

22 COMMISSIONER LOMBARDO: Approved.

23 MS. FRANKS: Commissioner Neer.

24 COMMISSIONER NEER: Approved.

25 MS. FRANKS: Commissioner Jamison.

1 COMMISSIONER JAMISON: Approved.

2 MS. FRANKS: Chairman Kohn.

3 CHAIRMAN KOHN: Approved.

4 We're going to go into closed session. It
5 shouldn't be more than -- I hope not more than ten
6 minutes at the most. We realize we have a lot of other
7 items on the agenda that a lot of you are involved in,
8 and we'll try to do it in a timely manner. But we think
9 this is important, so we'll be back.

10 (Off the record.)

11 CHAIRMAN KOHN: Angie, do we need to take
12 roll?

13 MS. FRANKS: Yeah, let's do that.

14 Commissioner Lombardo.

15 COMMISSIONER LOMBARDO: Present.

16 MS. FRANKS: Commissioner Neer.

17 COMMISSIONER NEER: Present.

18 MS. FRANKS: Commissioner Jamison.

19 COMMISSIONER JAMISON: Present.

20 MS. FRANKS: Chairman Kohn.

21 CHAIRMAN KOHN: Present.

22 We're ready to finish up on the Mary Laborada
23 matter. And Commissioner Lombardo has a motion. And
24 after we vote on that motion, I will tell you how we
25 arrived at what we're doing.

1 COMMISSIONER LOMBARDO: I move that the
2 resolution be modified to a 45-day suspension.

3 CHAIRMAN KOHN: Is there a second to that
4 motion?

5 COMMISSIONER NEER: I'll second.

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

8 MS. FRANKS: Commissioner Lombardo.

9 COMMISSIONER LOMBARDO: Approved.

10 MS. FRANKS: Commissioner Neer.

11 COMMISSIONER NEER: Approved.

12 MS. FRANKS: Commissioner Jamison.

13 COMMISSIONER JAMISON: No.

14 MS. FRANKS: Chairman Kohn.

15 CHAIRMAN KOHN: Approved.

16 MS. FRANKS: By your vote you've adopted
17 Resolution Number 18-021 amended to change the discipline
18 to 45 days.

19 CHAIRMAN KOHN: So as you can tell just from
20 the vote, we had -- Ms. Laborada, you may be seated. You
21 don't have to stand.

22 MS. LABORADA: Okay.

23 CHAIRMAN KOHN: The ruling of the Commission
24 is that you will have a 45-day suspension and your
25 license will not be revoked.

1 MS. LABORADA: Thank you so much.

2 CHAIRMAN KOHN: I started to say, as you can
3 tell from the vote, that we had a difficult time with
4 this. And the reason is that the regulations and the law
5 are clear, if this had been a felony, there would be no
6 question but that we would have to vote to revoke your
7 license. Because it wasn't, that gives us some
8 discretion.

9 But yet she did plead guilty, and that's
10 something that we had a difficult time dealing with. But
11 because of the circumstances and whatever happened in
12 Walmart and whatever happened with the attorney that she
13 had at the time who recommended she plead guilty, we
14 don't know what all those facts are. I think the hearing
15 officer did a good job in sorting through all that. But
16 because we do have discretion, because this is a
17 misdemeanor not a felony, we're electing to invoke a
18 suspension but not a revocation.

19 Any other comments from any of the
20 commissioners?

21 COMMISSIONER NEER: No.

22 COMMISSIONER JAMISON: No.

23 CHAIRMAN KOHN: Okay. I think, Mr. Wolford,
24 you're still up.

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

1 For your consideration, Resolution 18-022,
2 the matter of Ryan Day.

3 Mr. Day made an application to the Commission
4 for an occupational gaming license. On the application
5 there's a question that asks him to disclose any arrests
6 or convictions in the past, which he did. He disclosed a
7 prior arrest in May of 2000 for a felony marijuana
8 possession out of Boone County, Missouri and that he
9 subsequently pled guilty and received a suspended
10 imposition of sentence, five years probation. He
11 successfully completed his probation and had no further
12 issues with the law since then.

13 The Commission, when they began their
14 investigation of his license, they couldn't find a record
15 of his felony conviction. They talked to Mr. Day about
16 it; and he went to Boone County, went to the Court, got
17 the sealed records, and presented them to the
18 Commission's investigator.

19 At hearing Mr. Day testified that he served
20 his probation without incident -- the conviction was
21 sealed and didn't show up on background checks -- and
22 that he holds a secret security clearance with the United
23 States Government due to his service with the United
24 States Navy for 13 years.

25 It kind of ties into the last case. As

1 you're aware, Section 313.812 of the Revised Statutes of
2 Missouri states that a license shall not be granted if
3 the applicant has pled guilty to a felony. The evidence
4 presented at hearing indicates that but for this felony
5 plea in 2000, Mr. Day has led a responsible and
6 law-abiding life. However, due to the felony plea, he is
7 unsuitable to hold a license, and the hearing officer
8 recommends that the Commission affirm the denial of his
9 license.

10 Happy to answer any questions.

11 CHAIRMAN KOHN: Okay.

12 COMMISSIONER JAMISON: I've got a question.

13 MR. WOLFORD: And Mr. Day is present.

14 CHAIRMAN KOHN: All right. Thank you.

15 COMMISSIONER JAMISON: My question has to do
16 with the discussion that occurred within the hearing.
17 That -- it was my understanding that at some point he
18 withdrew his application; is that correct?

19 MR. WOLFORD: That is correct,
20 Commissioner Jamison.

21 COMMISSIONER JAMISON: So did he reapply to
22 be able to have the hearing or -- I guess I'm trying to
23 figure out why we'd be denying a license if a request to
24 withdraw the application was accepted.

25 COMMISSIONER LOMBARDO: I had exactly the

1 same question.

2 MR. WOLFORD: That's a great question --

3 CHAIRMAN KOHN: So did I.

4 MR. WOLFORD: -- and I'll defer to Ms. Kerr
5 on that.

6 COMMISSIONER NEER: We all read the same
7 material.

8 CHAIRMAN KOHN: Ms. Kerr.

9 MS. KERR: You want me to --

10 CHAIRMAN KOHN: Sure.

11 Mr. Wolford, we may have more questions of
12 you too.

13 MS. KERR: Thank you. Morning again. Well,
14 the disposition of occupational license, gaming license
15 application that he received, on it it has the fact -- it
16 said please check all that apply. It was checked because
17 he pled guilty to or was convicted of a felony. And then
18 also it does point out that the applicant voluntarily
19 withdrew.

20 But then Mr. Day -- that was October 2017.
21 And then about a week later we received the request for a
22 hearing from Mr. Day to, quote, attempt to prove his
23 suitability to the Commission.

24 CHAIRMAN KOHN: To do what?

25 MS. KERR: He requested a hearing to, quote,

1 attempt to approve suitability to the Commission. So I
2 think what we were -- he asked for a hearing. We
3 provided him a hearing.

4 COMMISSIONER LOMBARDO: Could you have said
5 you don't get a hearing because you withdrew your
6 application?

7 MS. KERR: Probably, yes.

8 CHAIRMAN KOHN: Okay.

9 COMMISSIONER JAMISON: A couple of questions
10 of Mr. Day.

11 CHAIRMAN KOHN: Well, let's finish up with
12 Mr. Wolford and Ms. Kerr.

13 COMMISSIONER JAMISON: So is -- so I guess my
14 question is are you just taking the fact that he asked
15 for an appli-- asked for a hearing as a reinstatement of
16 his application? Because, I mean, he did not make -- I
17 mean, if he -- I mean, I think there's a miscommunication
18 here, and we're taking -- we're taking the stance of, if
19 he asked for a hearing, he must still want to do the
20 application process. But did we ask him that question or
21 did we discuss that?

22 MS. KERR: We didn't ask him that.

23 MR. GREWACH: If I could address that. I
24 mean, internally --

25 COMMISSIONER JAMISON: It would be great.

1 COMMISSIONER LOMBARDO: Please.

2 MR. GREWACH: -- we did look at that. You
3 know, over -- out of an abundance of caution, we felt
4 that the hearing was appropriate, given the fact that
5 he's a pro se licensee and, in addition, the fact that
6 he's statutorily disqualified from having a license. So
7 it was more, instead of asking the hearing officer to
8 dismiss it on a procedural point, we gave the benefit of
9 the doubt, due process considerations, to just go
10 forward, considering his appeal of the denial, which also
11 shows up on the same form. The same form shows the
12 denial, and it shows withdrawal vote. So...

13 COMMISSIONER JAMISON: I get that. Let me
14 ask this question then: Does it still have a negative
15 ramification to Mr. Day if he's denied a license in
16 Missouri?

17 MR. GREWACH: Yes. That would be -- the
18 negative ramifications would be that if he would apply
19 somewhere else, he would have to list this denial on that
20 application.

21 COMMISSIONER JAMISON: So I guess my next
22 question is then can we take the step of now saying his
23 application has been withdrawn and we don't have to act
24 on it?

25 MR. GREWACH: Absolutely. You could make a

1 motion to modify the hearing officer's recommendation to
2 find that, in light of the fact that he withdrew his
3 application, that he's not entitled to a hearing or
4 appeal.

5 COMMISSIONER NEER: So there's not currently
6 an application?

7 MR. GREWACH: Well, there was an application,
8 and then there was a denial form filled out. But at --

9 COMMISSIONER NEER: Today, right now --

10 MR. GREWACH: Right now.

11 COMMISSIONER NEER: -- is there an
12 application for a license?

13 MR. GREWACH: Well, there's one in the file.
14 It was either denied or withdrawn, depending on, as you
15 look at that document, which conclusion you reach, you
16 know, from looking at the denial, the DOLA, the
17 disposition of occupational license form.

18 CHAIRMAN KOHN: Ed, I'm sorry, I'm not clear
19 either. I'm not sure what we're going to be voting on.
20 Is it to revoke the license? Is it not to grant the
21 license? What are we doing?

22 MR. GREWACH: It's to affirm the denial of
23 his license.

24 CHAIRMAN KOHN: Denial of his gaming license?

25 MR. GREWACH: Correct. His application for a

1 gaming license.

2 COMMISSIONER LOMBARDO: Well --

3 COMMISSIONER NEER: Denial of the
4 application?

5 MR. GREWACH: Correct. Because if you look
6 at the DOLA, the first box that's checked is that his
7 application is denied because he pled guilty to a felony.
8 And that's the denial. Now, later on, the note there
9 that he withdrew. So the -- the question becomes, you
10 know, do we consider that a denial, pursuant to the first
11 box checked, or a withdrawal. So, again, out of
12 overabundance of caution, we proceeded with the hearing.

13 COMMISSIONER LOMBARDO: I'll just say it. My
14 feeling is that if this is a situation where there's no
15 discretion, where because of the felony we could not
16 grant him a license and it seems like he's been
17 absolutely honest through the entire process and he did
18 withdraw his application, I would much prefer that we
19 just say the application's withdrawn than if we were
20 going -- than make some finding denying something that's
21 withdrawn that could hurt him.

22 MR. GREWACH: That's certainly within the
23 discretion of the commissioners, pursuant to the rule, to
24 modify the recommendation to make that finding. And we
25 could draft the appropriate resolution --

1 COMMISSIONER LOMBARDO: I think we probably
2 need to hear from --

3 CHAIRMAN KOHN: Yeah, we may have more
4 questions for the three of you, but let's hear from
5 Mr. Day first.

6 Please identify yourself for the record.

7 MR. DAY: Brian Day.

8 CHAIRMAN KOHN: Can you shed any light on
9 where we are at this point? You withdrew your
10 application, but you're seeking an application? Can you
11 clarify what it is you're trying to do?

12 MR. DAY: Yes, sir. I didn't know if there
13 was any -- if the commissioners had any leeway as far as
14 granting me a license. And the original officer that did
15 the investigation, he's the one that made the
16 recommendation that I withdraw my application, because if
17 I was officially denied an application, then in other
18 jurisdictions, Kansas mainly, I wouldn't be able to get a
19 license there either. Because they don't have the
20 statute that if you have ever pled guilty to a felony
21 that you can't -- that you can't hold a license.

22 And so I voluntarily withdrew and then
23 requested a hearing, not knowing if you have any leeway
24 to grant a license based on circumstances.

25 CHAIRMAN KOHN: So you withdrew voluntarily.

1 And then did you reapply?

2 MR. DAY: I have not reapplied, because I
3 don't want an official denial. But if there -- if --

4 COMMISSIONER JAMISON: Well, let me help here
5 just a little bit. And I know probably the case before
6 you probably confuses you a little bit. Her -- the
7 adjoining misdemeanors that were, you know, talked about
8 in the previous case, that's a rule, not a statute. The
9 felony is a statutory requirement that's been passed by
10 the Legislature, and we have to abide by that. The rule
11 that puts the accompanying misdemeanors for theft or
12 fraud in a same category as a rule that we have ruled
13 upon, we have the ability to waive that rule. We don't
14 have the same ability to waive the statute. We can't
15 waive the statute that is imposed on us by the
16 Legislature.

17 So knowing the difference between the two, I
18 guess my question for you today is do you prefer to have
19 an application in front of the Board or do you want to
20 not have an application in front of the Board?

21 MR. DAY: I would prefer not to. You know, I
22 don't know the steps behind that. I feel like that's
23 something that maybe should be taken up with the
24 Legislature, because this is something that happened
25 18 years ago.

1 COMMISSIONER JAMISON: Completely understand.
2 But it's a legis-- you know, it's a body of the Senate
3 and the House that would have to change their statutes.

4 MR. DAY: Understood.

5 CHAIRMAN KOHN: And we have to live with what
6 the law is today. So if I understood what you just said
7 correctly, your position is that you would like to remain
8 with the status of having withdrawn your application for
9 license and not show that you have reapplied?

10 MR. DAY: Correct.

11 CHAIRMAN KOHN: Okay. Mr. Wolford, can
12 we -- are you okay with that? In other words, we just
13 won't act?

14 MR. WOLFORD: Yes, I think that's an
15 acceptable outcome.

16 CHAIRMAN KOHN: Ed?

17 MR. GREWACH: I think what would probably be
18 in order, to file a motion to modify so we close the
19 file. Modify the hearing officer's recommendation to
20 find that the applicant had withdrawn his license; and,
21 therefore, his request for hearing is --

22 CHAIRMAN KOHN: Moot.

23 MR. GREWACH: Moot, right. And we could --
24 if someone could make that motion, we can cure that. And
25 that way, when we look back on the file, we'll

1 understand, you know, how we got to the point that we
2 did.

3 CHAIRMAN KOHN: Mr. Wolford, I was confused
4 enough by this case, but now I got even more confused
5 when I read your final order that says the burden of
6 proof to show that she is on -- that she is suitable
7 instead of he. I thought maybe I was back on the other
8 case again. That's a typo, I understand.

9 MR. WOLFORD: Typo, yes. And found its way
10 in.

11 CHAIRMAN KOHN: Is there a motion?

12 COMMISSIONER LOMBARDO: Yeah. Motion to
13 modify the resolution to find that the application has
14 been voluntarily withdrawn and that the file should be
15 closed and no action's necessary.

16 COMMISSIONER NEER: Second.

17 CHAIRMAN KOHN: Discussion on the motion?
18 Angie.

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 have amended
3 the hearing officer -- hearing officer's resolution so
4 that Mr. Day's license will be voluntarily withdrawn.

5 COMMISSIONER LOMBARDO: His application.

6 MS. FRANKS: His application, right, and no
7 action will be taken.

8 CHAIRMAN KOHN: Mr. Seibert.

9 MR. SEIBERT: The next order of business is
10 consideration of relicensure of Class A licensee.

11 Mr. Barron Fuller and Jeff Hendricks will
12 present the presentation and any other introduction.

13 CHAIRMAN KOHN: Mr. Fuller, Mr. Hendricks.

14 MR. HENDRICKS: Good morning.

15 CHAIRMAN KOHN: Good morning.

16 COMMISSIONER LOMBARDO: Good morning.

17 MR. HENDRICKS: Chairman, Commissioners,
18 Deputy Director, and Staff, it's a pleasure to be here
19 today. My name is Jeff Hendricks. I'm the vice
20 president of compliance of Eldorado Resorts, Inc. With
21 me as well is Barron Fuller, our senior vice president of
22 regional operations.

23 This morning I'm going to give a brief
24 overview of the status of the company since we were here
25 a year ago. I think I will give a rundown what's going

1 on in the corporate organization, and then later turn
2 things over to Barron for a discussion of the exciting
3 events going on at our Missouri properties.

4 Before I do that, however, I want to, on
5 behalf of Eldorado Resorts, express our appreciation for
6 the hard work of the Commission staff during this license
7 review. We have nothing but excellent things to say
8 about all the staff members and investigators with whom
9 we've worked. So we want to pass on that appreciation
10 here this morning.

11 So about a year ago this month, Eldorado
12 Resorts introduced itself to the Commission and applied
13 for its initial Class A gaming license and approval for
14 its acquisition of Isle of Capri Casinos, Incorporated.
15 During that meeting Eldorado introduced itself by
16 describing the properties within the enterprise, the
17 history of the organization, and then focusing on its
18 corporate culture. And that corporate culture includes a
19 focus on customer service, commitment to corporate
20 citizenship and regulatory compliance and providing a
21 top-tier regional gaming product.

22 During the initial deal between Eldorado and
23 Isle, I think Eldorado found those values to be present.
24 But then Isle was very excited about the deal, based on
25 that shared value set. And we could say that a year

1 forward from the deal those values are very much still in
2 place and present in the combined company.

3 So I put on the screen a timeline of the
4 history of Eldorado Resorts and kind of how we got to
5 this meeting here today. So Eldorado was founded as a
6 Nevada-based, family-owned gaming company with one
7 property in the Reno, Nevada area. It continued along
8 that timeline for several years and, as you can see from
9 the chart, within the last five or so years has gone
10 through a pretty incredible period of growth. It's a
11 very exciting time to be with the company.

12 Looking at the last item there, the
13 acquisition of Isle of Capri Casinos, I want to give an
14 update on how that acquisition has performed and the
15 status of the company today. We think that the
16 acquisition has been transformative for the combined
17 company. It has outperformed even the most optimistic
18 expectations of how the deal could have gone. So I can
19 tell you culturally it has been a great fit between those
20 two organizations, and over the past year the company has
21 really focused on integrating Isle of Capri with the
22 corporate and property levels into the combined company.

23 So a brief note on that integration. So for
24 those of you I have not met, I'm a Mizzou grad. I
25 started at the Isle of Capri Boonville property, and I

1 worked in the St. Louis market for a number of years
2 before joining the corporate office of Isle of Capri
3 Casinos. So I can tell you that geographically the move
4 from St. Louis to Reno has been pretty striking, and
5 that's quite the difference. But culturally I think the
6 combined company absolutely understands what it means to
7 work in Missouri and understands that it's a privilege to
8 operate here. We take that privilege very seriously, and
9 we're very proud and happy to be working in this
10 jurisdiction.

11 So at the current point the combined company
12 sits as 20 properties in 10 different jurisdictions.
13 Financial performance has been very strong in the past
14 year with a great balance sheet. And we think that the
15 future of the company looks very strong.

16 So today and going forward what we intend to
17 do as a company is to continue to focus on the value that
18 got us here today. So continue to focus on customer
19 service, on regulatory compliance, and providing an
20 excellent gaming product for our customers, and then
21 continuing to integrate both Isle of Capri properties and
22 all of our properties into the new parent company.

23 Additionally, there have been some very
24 exciting announcements made by the company over the past
25 several weeks. We've been working with Commission staff

1 on those announcements. We're excited to continue the
2 dialogue and present on that topic. The staff has been
3 gracious with their time already, and we're meeting later
4 this week to continue with this conversation. So we very
5 much appreciate all the staff's hard work on that and
6 look forward to discuss the growth and success of the
7 company.

8 So, with that, I'm certainly open to
9 questions, both now and in the presentation. And I'll
10 turn things over to Barron Fuller to discuss what's going
11 on with the Missouri properties.

12 MR. FULLER: Good morning, everyone. As Jeff
13 said, my name is Barron Fuller. I'm the senior vice
14 president of operations of Eldorado Resorts, Midwest
15 Division, which entails our two properties up in Iowa and
16 our four down here in Missouri. I'm proud to call
17 Missouri my home for the last ten years. And I live in
18 Columbia, calling that my home too. So...

19 Today I'd like to present to you, just kind
20 of touch on the execution of the strategy that we laid
21 out during our original license presentation last year
22 and what that impact would be on our four Class B
23 licenses in the state of Missouri.

24 Before I get going with the presentation, I'd
25 like to recognize one person in the audience today, Jamie

1 Ellingboe. Jamie is our risk compliance and facility
2 manager in Boonville, and she's been very instrumental
3 with me over the last six to seven years, keeping me
4 guided as it relates to compliance.

5 Jeff talked a little bit about culturally the
6 balance of compliance as it related to Isle coming into
7 Eldorado. As the Isle we always held our teams to a high
8 level of accountability as it related to regulatory
9 compliance. We wanted to ensure this culture continued
10 through the Eldorado transition. We think we've done an
11 excellent job with that with the help of Tim and Bill and
12 staff.

13 A little bit about MBE and MBE strategy.
14 Several years ago under Isle ownership we created a
15 supplier diversity strategic plan with our third-party
16 consultant, Marks & Associates. Eldorado's philosophy
17 has been to hold true to that plan and operate with a
18 high level of accountability as it relates to MBE and WBE
19 spend and better development. We work closely with Rick
20 and Cheryl Bonner through our audit, and we've done an
21 outstanding job with that.

22 Capital reinvestment into our facilities
23 continues to be a top priority. Unfortunately, things
24 like roof repairs, hull replacements in our barges, in
25 our coffers you can't -- can't be seen by the public eye

1 but costs a lot of money as it relates to our capital
2 spend. Fortunately, we're coming off a quarter where
3 we've had our highest capital spend on slot -- new slot
4 product onto our floor. We've done a nice job in the
5 outside of our facility in the Kansas City market
6 freshening that. We'll put more money into that -- in
7 that facility as it relates to parking garage enhancement
8 and new signage.

9 We also believe we've done a nice job in
10 raising the bar on operational excellence. After the
11 close of the deal last year, the Carano family made an
12 immediate commitment to visit every Isle property,
13 spending time with every team member, communicating their
14 vision as it related to family-style service and
15 financial expectations.

16 Gary and Anthony continue to meet face to
17 face with the property leadership teams on a quarterly
18 basis. Most recently last week we met in Cape Girardeau,
19 brought the four Missouri properties together and the two
20 Iowa properties came down. We got to spend some time in
21 Cape. Introduced Gary and Anthony to some things that
22 went on in Cape Girardeau. But, more importantly, we
23 talked about the vision; what's going on with service,
24 what's going on with food, and what's going on with
25 financial performance.

1 This has been a big commitment on their
2 behalf. We feel it's paying off tremendously though, as
3 we've seen increases in our internal shopping service
4 scores, increases in our team member engagement, and then
5 overall increases in our EBITDA performance.

6 And then last but not least, we've stayed
7 fully committed to the communities we operate in.
8 Eldorado's culture is always to stay fully committed, as
9 the Goldstein family was with Isle of Capri. Over the
10 past year we volunteered over 10,000 hours at our four
11 properties in the state of Missouri. And most notably,
12 we fell true to the Missouri Veterans History Project,
13 which remains near and dear to our hearts, where we've
14 compiled over a hundred interviews since the inception of
15 that program, and 40 just in the last year. So...

16 CHAIRMAN KOHN: What is that program for?

17 MR. FULLER: Missouri Veterans History
18 Program?

19 CHAIRMAN KOHN: Yeah, what's the...

20 MR. FULLER: So we entail about a one-hour
21 interview with veterans. So we started with World War II
22 veterans, and we went on the Korean War and Vietnam
23 veterans. We sit down, ask a series of questions,
24 document it, somebody scripts it; then it goes into the
25 Library of Congress. So 20 years from now, if somebody

1 wants to look up what their grandfather did in a war,
2 that's out there in the Library of Congress that you can
3 have access to.

4 CHAIRMAN KOHN: So is that being done in
5 other states or just here?

6 MR. FULLER: I'm not aware of it being done
7 in other states. It's kind of something we helped
8 spearhead. And I think it's true, you have to have a
9 person on your property, at one of the properties. So
10 there's an individual in Boonville that does an
11 outstanding job of it, and another individual in Cape
12 Girardeau that does an outstanding job of it.

13 CHAIRMAN KOHN: Great.

14 MR. FULLER: So you can see we've done a good
15 job over the past year of meeting expectations of what we
16 laid out at that meeting about a year ago now.

17 I'd be happy to answer any questions.

18 CHAIRMAN KOHN: Does that conclude your
19 presentation?

20 MR. HENDRICKS: That does, yes.

21 MR. FULLER: It does, yes.

22 CHAIRMAN KOHN: Any questions of either of
23 them?

24 COMMISSIONER JAMISON: No sir.

25 CHAIRMAN KOHN: Okay. Mr. Seibert.

1 MR. FULLER: Thank you.

2 MR. SEIBERT: Next we have the investigative
3 summary, which will be presented by Sergeant Gary
4 Davidson.

5 CHAIRMAN KOHN: Morning, Sergeant.

6 SERGEANT DAVIDSON: Good morning, Chairman,
7 Commissioners. Eldorado Resorts, Incorporated is being
8 presented for relicensure in the state of Missouri.
9 Eldorado Resorts is a Class A licensee which owns and
10 operates the following four casinos in Missouri: IOC
11 Kansas City, Incorporated; IOC Boonville, Incorporated;
12 IOC Caruthersville, LLC, doing business as Lady Luck
13 Casino Caruthersville; and IOC Cape Girardeau, LLC, doing
14 business as Isle Casino Cape Girardeau. Eldorado Resorts
15 was initially licensed by the Commission on April 26,
16 2017, and is being presented today for its one year
17 anniversary renewal.

18 Highway patrol investigators, along with
19 Missouri Gaming Commission financial investigators,
20 conducted a relicensing investigation which consisted of
21 additional inquiries, an examination of disciplinary
22 actions, litigation and business credit profiles, as well
23 as a review of key persons associated with the company.

24 The investigative summary was presented to
25 the Missouri Gaming Commission financial -- excuse me,

1 Missouri Gaming Commission staff for their review, and
2 investigators are present to answer any questions you
3 might have.

4 CHAIRMAN KOHN: Questions of Sergeant
5 Davidson?

6 COMMISSIONER LOMBARDO: No.

7 COMMISSIONER NEER: No.

8 CHAIRMAN KOHN: Okay. Mr. Seibert, staff
9 recommendation?

10 MR. SEIBERT: Staff does recommend approval.

11 CHAIRMAN KOHN: Okay. Before we vote, I want
12 to thank Mr. Fuller and Mr. Hendricks for your
13 presentations. We appreciate your being here.

14 Is there a motion with respect to Resolution
15 18-023?

16 COMMISSIONER JAMISON: Move for adoption.

17 COMMISSIONER NEER: Second.

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

20 MS. FRANKS: Commissioner Lombardo.

21 COMMISSIONER LOMBARDO: Approved.

22 MS. FRANKS: Commissioner Neer.

23 COMMISSIONER NEER: Approved.

24 MS. FRANKS: Commissioner Jamison.

25 COMMISSIONER JAMISON: Approved.

1 MS. FRANKS: Chairman Kohn.

2 CHAIRMAN KOHN: Approved.

3 MS. FRANKS: By your vote you've adopted
4 Resolution Number 18-023.

5 CHAIRMAN KOHN: Mr. Seibert.

6 MR. SEIBERT: Next order of business is
7 consideration of relicensure of certain suppliers.

8 Corporal John Masters will present.

9 CHAIRMAN KOHN: Good morning, Corporal.

10 CORPORAL MASTERS: Morning. Missouri State
11 Highway Patrol and MGC investigators conducted the
12 relicensing investigations of two supplier companies.
13 These investigations consisted of jurisdictional
14 inquiries, feedback from affected gaming clients, a
15 review of disciplinary actions, litigation and business
16 credit profiles, as well as a review of key persons
17 associated with each company.

18 The following two companies are being
19 presented for your consideration: Ainsworth Game
20 Technologies, Limited; Everi Games, Incorporated.

21 The result of these investigations were
22 provided to the MGC staff for their review, and the
23 investigators are present to answer any questions.

24 CHAIRMAN KOHN: Any questions of Corporal?

25 Angie, our vote for these, we have two

1 resolutions, don't we?

2 MS. FRANKS: Yes.

3 CHAIRMAN KOHN: One for each supplier?

4 MS. FRANKS: Yes.

5 CHAIRMAN KOHN: Is there a motion with
6 respect to 18-024, which is...

7 MS. FRANKS: Ainsworth.

8 CHAIRMAN KOHN: Huh? Which one is this?

9 MS. FRANKS: Ainsworth Game Technologies.

10 CHAIRMAN KOHN: Ainsworth, yeah.

11 COMMISSIONER LOMBARDO: Motion to approve.

12 CHAIRMAN KOHN: Is there a second?

13 COMMISSIONER JAMISON: Second.

14 CHAIRMAN KOHN: Discussion on the motion?

15 Angie.

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.

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

25 Resolution Number 18-024.

1 CHAIRMAN KOHN: Is there a motion with
2 respect to Resolution 18-025, which is Everi Games, Inc.?

3 COMMISSIONER NEER: Motion to approve.

4 COMMISSIONER LOMBARDO: Second.

5 CHAIRMAN KOHN: Discussion of the motion?
6 Angie.

7 MS. FRANKS: Commissioner Lombardo.

8 COMMISSIONER LOMBARDO: Approved.

9 MS. FRANKS: Commissioner Neer.

10 COMMISSIONER NEER: Approved.

11 MS. FRANKS: Commissioner Jamison.

12 COMMISSIONER JAMISON: Approved.

13 MS. FRANKS: Chairman Kohn.

14 CHAIRMAN KOHN: Approved.

15 MS. FRANKS: By your vote you've adopted
16 Resolution Number 18-025.

17 CHAIRMAN KOHN: Mr. Seibert.

18 MR. SEIBERT: Next order of business is
19 consideration of the licensure of certain suppliers. And
20 that also will be presented by Corporal John Masters.

21 CORPORAL MASTERS: Missouri State Highway
22 Patrol and MGC investigators also conducted a
23 comprehensive investigation of Ainsworth Game Technology,
24 Incorporated, a subsidiary of Ainsworth Game
25 Technologies, Limited, for its initial supplier's

1 license.

2 The result of that investigation was also
3 provided to the MGC staff for their review, and the
4 investigators are available to entertain any questions
5 you might have.

6 Thank you.

7 CHAIRMAN KOHN: Any questions?

8 Is there a motion with respect to Resolution
9 18-026, which is Ainsworth Game Technology, Inc.?

10 COMMISSIONER JAMISON: I move for approval.

11 COMMISSIONER NEER: Second.

12 CHAIRMAN KOHN: Discussion on the motion?

13 Angie.

14 MS. FRANKS: Commissioner Lombardo.

15 COMMISSIONER LOMBARDO: Approved.

16 MS. FRANKS: Commissioner Neer.

17 COMMISSIONER NEER: Approved.

18 MS. FRANKS: Commissioner Jamison.

19 COMMISSIONER JAMISON: Approved.

20 MS. FRANKS: Chairman Kohn.

21 CHAIRMAN KOHN: Approved.

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

23 Resolution Number 18-026.

24 CHAIRMAN KOHN: Mr. Seibert.

25 MR. SEIBERT: Next order of business is

1 consideration of disciplinary actions.

2 Mr. Ed Grewach will present.

3 MR. GREWACH: Thank you, Mr. Seibert.

4 Chairman, Commissioners, under Tab I we have
5 a preliminary order of discipline directed to Lumiere
6 Place Casino for failing to conduct table games according
7 to the rules and for failing to promptly report
8 violations to the Commission.

9 On June 21st, 2017 the Commission was
10 notified by casino surveillance that table game staff was
11 allowing a patron to circumvent the rules of a game. Our
12 investigation disclosed three separate incidents, which
13 involved a VIP patron who was playing Black Jack.

14 The first incident two cards came out of the
15 shoe at the same time face down. The dealer called the
16 supervisor over. The supervisor correctly instructed the
17 dealer to go ahead and deal the top card to the player
18 and the next card to the dealer. So it had no -- that
19 fact that the two cards came out the same time had no
20 impact on the outcome of the game.

21 Once the cards were dealt, the result was
22 that the patron lost his \$500 wager. The patron
23 complained about the -- about the fact the two cards came
24 out. At that point in time the supervisor then allowed
25 the patron to take back his \$500 wager, resulting in a

1 \$500 lost adjusted gross revenue for gaming tax purposes.

2 As you know, the rules of the game have to
3 list any irregularities and how irregularities are
4 handled, and two cards coming out of the shoe at the same
5 time face down was not one of the irregularities that
6 were specifically listed in the rule.

7 In the second incident the patron placed a
8 \$100 wager on a bet that carried 9 to 1 odds. The cards
9 then -- in fact, the hand he won, which would have meant
10 he won \$900. After he had won the game, he then asked
11 for permission to place a second \$100 bet on that same
12 betting line. The dealer allowed him to do that, which
13 in turn resulted in him being paid an extra \$900. And
14 technically that process of placing a wager after the
15 outcome's been determined is termed in the industry as
16 capping a bet, which is of course illegal under Missouri
17 law. In addition, their rules indicate that all -- that
18 this particular wager had to be placed prior to any cards
19 being dealt.

20 The third incident involved an overpayment of
21 \$225 by a player, and there was a dispute as to whether
22 or not the player requested a hit or to split the cards.
23 And this review of surveillance clearly showed that he
24 requested a hit and should have -- should not have been
25 allowed to split those cards.

1 Now, the events occurred on June 18th and
2 19th, and the Commission was not notified -- and that
3 notice came, in fact, from surveillance -- until June
4 the 21st. The staff recommended a \$10,000 fine and
5 \$509.25 in a tax adjustment based on \$2,425 of wagers
6 that were improperly either refunded or paid to the
7 patron.

8 Now, you'll see in your packet the property's
9 response to our staff's recommendation, and you'll also
10 see in there our reply to that response. You'll see
11 there that we did, when looking at their response,
12 actually reduced the tax assessment to \$425.25, based on
13 an overpayment of \$2,025, but recommended to keep the
14 \$10,000 fine.

15 Without going into detail of their response
16 and our reply, I do want to highlight the regulatory
17 structure here. And you can see that Rule 5.050 requires
18 properties to submit rules of games before they're placed
19 into play. It further requires that any changes in those
20 rules must be submitted and approved by the Commission
21 prior to their implementation.

22 Then when you look at the minimum internal
23 control standards under Section C-101, it requires what
24 has -- it states what has to be in those rules; and most
25 specifically in the section cited, require that the rules

1 list any irregularities and how those irregularities are
2 to be handled.

3 And, finally, 9.060(4) indicates that if the
4 game's conducted in violation of the rules, it is a
5 violation and subjects the property to an administrative
6 penalty. Now, that requirement of the rules has some
7 significance in that when something happens at a table,
8 it's very important to know, from the Commission agent's
9 point of view, from the patron's point of view, that we
10 can look at the rules and determine exactly what should
11 happen at that point in time.

12 So it is the Commission's recommendation to
13 continue with the \$10,000 fine recommendation, as well as
14 the tax assessment.

15 CHAIRMAN KOHN: Questions of Ed?

16 I have a curiosity question. What's the
17 purpose of telling us it's a VIP customer? Do we have
18 different rules for VIP customers?

19 MR. GREWACH: I think the significance of
20 that in this case, when you look at particularly the
21 property's response on the -- on their Roman Numeral 4,
22 indicates that the patron in question was abusive and
23 intimidated the players. When we looked at the
24 statements of certain of the dealers and supervisors as
25 to why they did what they did, they indicated, well, you

1 know, if we didn't do what this patron asked, he'd report
2 it up the chain to our boss and -- which goes into their
3 statement that the dealers and supervisors were
4 intimidated by this patron.

5 And I think what they tender in their
6 response as a defense, I think by the same token explains
7 why these dealers and supervisors circumvented the rules
8 of the game. And I think that's the significance of the
9 player being a VIP player.

10 CHAIRMAN KOHN: Other questions?

11 COMMISSIONER LOMBARDO: Is there anybody here
12 who wants to speak on behalf of --

13 COMMISSIONER JAMISON: No, we don't do that
14 now.

15 MR. GREWACH: There are times they ask for a
16 hearing, if they have -- and that's the recent -- we
17 have -- and this is a recent incorporation at their
18 request; that we are now providing you their written
19 response, and then we're responding -- replying to that
20 response in detail. And if they want to have a hearing,
21 because as we get into facts -- you know, this is
22 basically at the point in time where a charge is being
23 filed, and then after that there could be hearing.

24 COMMISSIONER LOMBARDO: Yeah, this is really
25 one of the first ones I can remember where I've seen

1 their response in the packet.

2 MR. GREWACH: Yes, that is a new practice we
3 will be adopting from here forward.

4 COMMISSIONER LOMBARDO: Okay. That's why I
5 asked a stupid question.

6 CHAIRMAN KOHN: Any other questions of Ed?
7 Do we have a motion with respect to
8 DC-18-032?

9 COMMISSIONER LOMBARDO: Motion to approve.

10 COMMISSIONER JAMISON: Second.

11 CHAIRMAN KOHN: Discussion of the motion?
12 Angie.

13 MS. FRANKS: Commissioner Lombardo.

14 COMMISSIONER LOMBARDO: Approved.

15 MS. FRANKS: Commissioner Neer.

16 COMMISSIONER NEER: Approved.

17 MS. FRANKS: Commissioner Jamison.

18 COMMISSIONER JAMISON: Approved.

19 MS. FRANKS: Chairman Kohn.

20 CHAIRMAN KOHN: Approved.

21 MS. FRANKS: By your vote you've adopted
22 DC-18-032.

23 CHAIRMAN KOHN: Ed.

24 MR. GREWACH: Yes. Under Tab J we have a
25 preliminary order of discipline directed at Lumiere Place

1 Casino for failing to notify the Commission of an
2 employee termination within the time frame required by
3 the rule. The -- Rule 4.410 requires the casino to
4 notify the Commission within ten days of an employee's
5 termination. In this case a surveillance agent was
6 terminated on July the 30th, 2017, but the Commission was
7 not notified until August 28, 2017.

8 It's also important, I think, to note, in
9 light of the fact that we're requesting a fine in this
10 case, that there were six violations since 2009; two of
11 those occurring in the calendar year 2016; two of those
12 occurring in the calendar year 2017. And, therefore, the
13 recommendation of the staff is a \$2,500 fine.

14 CHAIRMAN KOHN: Any questions of Ed?

15 COMMISSIONER JAMISON: No, sir.

16 COMMISSIONER LOMBARDO: No.

17 CHAIRMAN KOHN: Is there a motion with
18 respect to DC-18-023?

19 COMMISSIONER JAMISON: Move to adoption.

20 COMMISSIONER LOMBARDO: Second.

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

23 MS. FRANKS: Commissioner Lombardo.

24 COMMISSIONER LOMBARDO: Approved.

25 MS. FRANKS: Commissioner Neer.

1 COMMISSIONER NEER: (Out of the room.)

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 adopted
7 DC-18-033.

8 MR. GREWACH: Thank you.

9 CHAIRMAN KOHN: Thank you, Ed.

10 Mr. Seibert.

11 MR. SEIBERT: Next order of business is
12 consideration of waiver of licensure for institutional
13 investor.

14 Ms. Maggie White will present.

15 CHAIRMAN KOHN: Good morning, Ms. White.

16 MS. WHITE: Good morning. Mr. Chairman,
17 Commissioners, behind Tab K is a resolution regarding
18 waiver of licensure for an institutional investor holding
19 and/or requesting to hold publicly-traded interest of up
20 to 20 percent in a gaming licensee.

21 CHAIRMAN KOHN: Would you move that mic --

22 MS. WHITE: Oh, yes.

23 CHAIRMAN KOHN: Would you move that mic down?

24 MS. WHITE: This investor has submitted a
25 request for waiver to hold interest in this licensee, in

1 compliance with 11 CSR 45-4. The submitted waiver
2 request certifies the holding is for institutional
3 investment purposes only, with no intent to be involved
4 in the management or operation of the licensee.

5 Because the holdings made exceed the 10
6 percent threshold for which the executive director may
7 grant a waiver, this resolution is before the Commission
8 today.

9 Resolution Number 18-027 is for Canyon
10 Capital Advisors, LLC.

11 I'd be happy to answer any questions.

12 CHAIRMAN KOHN: Any questions of Ms. White?

13 Is there a motion with respect to Resolution
14 18-027?

15 COMMISSIONER JAMISON: Move for adoption.

16 COMMISSIONER LOMBARDO: Second.

17 CHAIRMAN KOHN: Discussion on the motion?

18 Angie.

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 adopted
3 Resolution Number 18-027.

4 CHAIRMAN KOHN: Mr. Seibert.

5 MR. SEIBERT: Next order of business is
6 consideration of rules and regulations. Mr. Ed Grewach
7 will present.

8 CHAIRMAN KOHN: Have you set a new record?

9 MR. GREWACH: A new record in?

10 CHAIRMAN KOHN: Time.

11 MR. GREWACH: Time? We're trying to. I'm a
12 little bit taller than Maggie too, so I had to raise the
13 microphone.

14 Under Tabs L and M we have proposed
15 amendments either rescinding a portion of a rule or
16 modifying rules. This -- these are rules that were
17 identified in the process of our continuing review in
18 compliance with the Governor's Executive Order 17-03 and
19 the review of -- required by the Legislature under
20 Section 536.175 RSMo.

21 For all these rules, if the -- if the
22 Commission approves them, there will be a public comment
23 period followed by a public hearing on July the 10th,
24 2018. If we receive comments, those comments and the
25 final orders themselves will be presented to the

1 Commission at the August 29th, 2018 meeting. If approved
2 by the Commission at that meeting, these rule changes
3 will become effective on December the 30th, 2018.

4 I have again grouped these rules
5 corresponding to the categories in either the Governor's
6 Executive Order or the statute. And the first group
7 under Tab L are proposed amendments rescinding or
8 modifying rules, regulations that overlap, duplicate, or
9 conflict with a statute or another rule.

10 And I would be happy to answer any questions.

11 CHAIRMAN KOHN: Any questions of Ed?

12 Is there a motion to approve the amendment
13 and rescinding under -- of those rules and regulations
14 listed under Tab L?

15 COMMISSIONER LOMBARDO: So moved.

16 CHAIRMAN KOHN: Is there a second?

17 COMMISSIONER NEER: Second.

18 CHAIRMAN KOHN: Discussion on the motion?

19 Angie.

20 MS. FRANKS: Commissioner Lombardo.

21 COMMISSIONER LOMBARDO: Approved.

22 MS. FRANKS: Commissioner Neer.

23 COMMISSIONER NEER: Approved.

24 MS. FRANKS: Commissioner Jamison.

25 COMMISSIONER JAMISON: Approved.

1 MS. FRANKS: Chairman Kohn.

2 CHAIRMAN KOHN: Approved.

3 MS. FRANKS: By your vote you've adopted
4 11 CSR 45-1.015, 1.090, 4.020, 4.210, 4.260, 4.380,
5 5.065, 6.030, 30.065, 30.480, 30.523, and 30.555.

6 CHAIRMAN KOHN: Thank you.

7 Ed, Tab M.

8 MR. GREWACH: Under Tab M we have rules that
9 have been identified by the staff for either rescission
10 or modification that the staff has found to be
11 unnecessary or not essential to the health, safety, or
12 welfare of Missouri residents or obsolete.

13 And I would be happy to answer any questions.

14 CHAIRMAN KOHN: Questions of Ed?

15 Is there a motion to approve the amendment
16 rescinding or modifying those rules and regulations
17 listed under Tab M?

18 COMMISSIONER NEER: Motion to approve.

19 COMMISSIONER LOMBARDO: Second.

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

22 MS. FRANKS: Commissioner Lombardo.

23 COMMISSIONER LOMBARDO: Approved.

24 MS. FRANKS: Commissioner Neer.

25 COMMISSIONER NEER: Approved.

1 MS. FRANKS: Commissioner Jamison.

2 COMMISSIONER JAMISON: Approved.

3 MS. FRANKS: Chairman Kohn.

4 CHAIRMAN KOHN: Approved.

5 MS. FRANKS: By your vote you've adopted
6 11 CSR 45-5.181, 5.184, 5.260, 6.010, 6.020, 6.025,
7 7.160, 8.050, 8.060, 8.090, 8.130, 8.150, 9.101, and
8 9.120.

9 MR. GREWACH: Thank you.

10 CHAIRMAN KOHN: Ed, thank you. And, you
11 know, we always -- we're always thanking people. We
12 always forget to thank you for the outstanding work you
13 do in getting through these. You know, we do it very
14 quickly, but we know how much time you spend on reviewing
15 these rules and regulations. So we appreciate it.

16 MR. GREWACH: Well, thank you. Appreciate
17 it.

18 CHAIRMAN KOHN: That concludes the items of
19 business for our open session.

20 Is there a motion to go into closed?

21 COMMISSIONER JAMISON: I move to go into
22 closed meeting under Section 313.847 and 313.945 Revised
23 Missouri Statutes, investigatory, proprietary, and
24 application records; and 610.021, Subparagraph 1 Revised
25 Missouri Statutes, legal actions; Subparagraph 3,

1 Subparagraph 13, personnel; and subparagraph 14, records
2 protected from disclosure by law.

3 COMMISSIONER LOMBARDO: Second.

4 CHAIRMAN KOHN: Angie.

5 MS. FRANKS: Commissioner Lombardo.

6 COMMISSIONER LOMBARDO: Approved.

7 MS. FRANKS: Commissioner Neer.

8 COMMISSIONER NEER: Approved.

9 MS. FRANKS: Commissioner Jamison.

10 COMMISSIONER JAMISON: Approved.

11 MS. FRANKS: Chairman Kohn.

12 CHAIRMAN KOHN: Approved.

13 That ends our open session. We reserve the
14 right to come back into open session after our closed
15 session, but it's unlikely that we will.

16 This may have set a new record. Made it
17 possible for us to get to Central Dairy before the school
18 buses.

19 So thank you all, and we'll see you next
20 month.

21 (Off the record.)

22 (Adjourned at 10:12 a.m.)

23

24

25

1 CERTIFICATE OF REPORTER

2

3 I, Angie D. Threlkeld, a Certified Court Reporter,
4 CCR No. 1382, the officer before whom the foregoing
5 hearing was taken, do hereby certify that the foregoing
6 hearing was taken by me to the best of my ability and
7 thereafter reduced to typewriting under my direction;
8 that I am neither counsel for, related to, nor employed
9 by any of the parties to the action in which this hearing
10 was taken, and further, that I am not a relative or
11 employee of any attorney or counsel employed by the
12 parties thereto, nor financially or otherwise interested
13 in the outcome of the action.

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19 _____
Angie D. Threlkeld, CCR

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MISSOURI GAMING COMMISSION
Open Session Minutes
April 25, 2018

The Missouri Gaming Commission (the “Commission”) went into open session at approximately 11:03 a.m. on April 25, 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, Lombardo – yes, Neer – yes, Jamison – yes, and Kohn – yes, the motion was unanimously approved.

The meeting ended at 11:05 a.m.