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BEFORE THE
MISSOURI GAMING COMMISSION

Meeting
January 27, 2021
9:30 a.m.
3417 Knipp Drive
Jefferson City, Missouri

BEFORE:

Mike Leara, Chairman
Daniel P. Finney, III, Commissioner
Brandon Boulware, Commissioner -
(VIA TELEPHONIC AND IN PERSON)
Pat Conway, Commissioner
David W. Hane, Commissioner

Reported by:
Patricia A. Stewart, CCR 401
Alaris Litigation Services
(800) 280-3376

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|----|-------------|--|-------|
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| 2 | | | page |
| 3 | I. | Call to Order | 4:3 |
| 4 | II. | Adoption of Agenda | 4:18 |
| 5 | III. | Consideration of Minutes | |
| 6 | | A. December 9, 2020 | 5:10 |
| 7 | IV. | Consideration of Relicensure of | |
| 8 | | Class A & B Licenses | |
| 9 | | Affinity Gaming (Class A) | |
| 10 | | St. Jo Frontier Casino (Class B) | |
| 11 | | Mark Twain Casino (Class B) | |
| 12 | | * Presentation by Applicants | 6:17 |
| 13 | | * Presentation by City of St. Joseph | 20:7 |
| 14 | | * Presentation by City of LaGrange | 18:13 |
| 15 | | * Public Comment | 27:5 |
| 16 | | * Investigative Summary | 27:10 |
| 17 | | * MBE/WBE Compliance Review | 28:18 |
| 18 | | * Staff Recommendation | 29:9 |
| 19 | | B. Resolution No. 21-001 | 29:11 |
| 20 | | C. Resolution No. 21-002 | 30:7 |
| 21 | | D. Resolution No. 21-003 | 31:3 |
| 22 | V. | Consideration of Certain Suppliers | |
| 23 | | E. Konami Gaming | |
| 24 | | 1. Resolution No. 21-004 | 32:2 |
| 25 | VI. | Consideration of Licensure of Fantasy | |
| 26 | | Sports Operator | |
| 27 | | F. OwnersBox 3.0 Corporation | 34:4 |
| 28 | VII. | Consideration of Licensure of Certain | |
| 29 | | Level I/Key Applicants | |
| 30 | | G. Resolution No. 21-006 | 38:16 |
| 31 | VIII. | Consideration of Waiver of | |
| 32 | | Institutional Investor | |
| 33 | | H. Caledonia (Private) Investments Pty | |
| 34 | | Limited | |
| 35 | | 1. Resolution No. 21-007 | 41:19 |
| 36 | | I. Janus Capital Management, LLC | |
| 37 | | 1. Resolution No. 21-008 | 41:19 |
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A G E N D A (CONT'D)

page

IX. Motion for Closed Meeting under
Sections 313.847, RSMo, Investigatory,
Proprietary and Application Records and
610.021(1), RSMo, Legal Actions and
Matters Subject to Attorney Client
Privilege (3) & (13) Personnel, (12)
Contracts and (14) Records Protected
from Disclosure by Law

44:9

1 (Start time: 9:30 a.m.)

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

3 CHAIRMAN LEARA: We'll call the meeting to
4 order, the January 27th regular meeting of the Missouri
5 Gaming Commission.

6 Angie, please call the roll.

7 MS. FRANKS: Commissioner Hane.

8 COMMISSIONER HANE: Present.

9 MS. FRANKS: Commissioner Conway.

10 COMMISSIONER CONWAY: Present.

11 MS. FRANKS: Commissioner Boulware.

12 COMMISSIONER BOULWARE: Present.

13 MS. FRANKS: Commissioner Finney.

14 (No response.)

15 MS. FRANKS: Chairman Leara.

16 CHAIRMAN LEARA: Present.

17 Okay. We have a quorum.

18 The first item on the agenda is the adoption
19 of the agenda, and I move for the adoption as shown.

20 Do we have a second?

21 COMMISSIONER HANE: Second.

22 CHAIRMAN LEARA: We have a second.

23 Any discussion?

24 Seeing none, Angie, please call the roll.

25 MS. FRANKS: Commissioner Hane.

1 COMMISSIONER HANE: Approved.

2 MS. FRANKS: Commissioner Conway.

3 COMMISSIONER CONWAY: Approved.

4 MS. FRANKS: Commissioner Boulware.

5 COMMISSIONER BOULWARE: Approved.

6 MS. FRANKS: Chairman Leara.

7 CHAIRMAN LEARA: Approved.

8 MS. FRANKS: By your vote you have adopted
9 the agenda.

10 CHAIRMAN LEARA: The next item is
11 consideration of minutes from December 9th, 2020.

12 I will move for the approval of the minutes.
13 Do we have a second?

14 COMMISSIONER HANE: Second.

15 CHAIRMAN LEARA: Mr. Hane, second.

16 Any discussion?

17 Seeing none, Angie, please call the roll.

18 MS. FRANKS: Commissioner Hane.

19 COMMISSIONER HANE: Approved.

20 MS. FRANKS: Commissioner Conway.

21 COMMISSIONER CONWAY: Approved.

22 MS. FRANKS: Commissioner Boulware.

23 COMMISSIONER BOULWARE: Approved.

24 MS. FRANKS: Chairman Leara.

25 CHAIRMAN LEARA: Approved.

1 MS. FRANKS: By your vote you've adopted the
2 minutes of the December 9, 2020 meeting.

3 CHAIRMAN LEARA: The next item on the agenda
4 is consideration of relicensure of Class A and B
5 licenses.

6 First up will be Affinity Gaming. The
7 representative for Affinity, if you'd like to present.
8 You have the floor.

9 Please state your name for the record and
10 title.

11 MS. GRIFFIN: Good morning, Commissioners.
12 My name is Jennifer Griffin, and I'm appearing today as
13 outside counsel for Affinity Gaming. I have with me
14 presently Luke Keller, the General Manager of Mark Twain
15 Casino, who will make the presentation on behalf of
16 Affinity Gaming and Mark Twain Casino.

17 MR. KELLER: Thank you.

18 All right. Good morning, Chairman Leara,
19 Commissioners, Deputy Director McGrail and MGC staff.
20 It is a privilege to be here today. My name is Luke
21 Keller. I am the Vice President and General Manager at
22 Mark Twain Casino in LaGrange.

23 I will first be introducing the presentation
24 for Affinity Gaming's Class A license, followed by a
25 presentation for Mark Twain's Class B license, before

1 turning it over to Mike Tamburelli who will be
2 discussing the St. Jo Frontier Casino presentation with
3 you today.

4 Affinity Gaming is owned by Z Capital and
5 headquartered in Las Vegas. Affinity Gaming currently
6 employs over 1,100 people at its eight unique
7 properties, although that number is lower than it has
8 been historically as business adjustments have been made
9 for the COVID-19 pandemic. As business levels return we
10 anticipate that number growing.

11 The properties currently have nearly 3,000
12 slot machines across the markets, 2,500 plus hotel rooms
13 in Nevada and Iowa, and a host of various amenities.

14 Here is a map of the casino facilities owned
15 by Affinity. As you can see, four casinos in Southern
16 Nevada, one in the Reno area, one in Iowa and two in
17 Missouri, which you'll hear more about today.

18 Since the first quarter of 2017 Z Capital has
19 been a very stable and a supportive owner for Affinity
20 Gaming. Jim Zenni, Chairman of Z Capital and Affinity
21 Gaming, is committed to providing quality leisure
22 properties and has provided more than \$70 million in
23 capital investments to enhance the property experience
24 for our guests.

25 One of the major investments in the past few

1 years has been at St. Jo as they have recovered from
2 crippling flooding. You'll hear a lot about that from
3 Mike in his presentation today.

4 Both Missouri properties have entirely new
5 HVAC systems, over \$3 million in slot capital investment
6 between the two places since 2017, as well as a host of
7 major projects in Iowa and Nevada, some of which you can
8 see highlighted in your packet.

9 The pandemic has delayed some other projects
10 from 2020 to '21, one of which is a remodeling project
11 at Mark Twain, that you'll also get more information on
12 today.

13 As a company Affinity Gaming was aggressive
14 in their action toward COVID-19 mitigation. All
15 portfolio properties closed in March. The two Missouri
16 properties were the first to reopen on June 1st, with
17 the rest reopening June 4th in various stages.

18 Buffalo Bill's in Primm, Nevada remains
19 closed until a more normal business volume returns to
20 the area.

21 The health and safety of guests and staff
22 alike was, and remains, a top priority for Affinity
23 Gaming, including required temperature checks for all
24 team members and guests entering the property, mandatory
25 masks for all team members and social distancing of

1 machines remains in place at our Missouri properties, as
2 well as following other CDC guidelines to help prevent
3 the spread amongst our staff and those who visited the
4 property.

5 Here is a little more in depth overview of the
6 properties owned and operated by Affinity Gaming. I
7 won't read all of the statistics but I'd be happy to
8 answer questions that you have about the assets.

9 Moving down to the leadership at the
10 corporate office.

11 Jim Zenni has served as the sole board member
12 since Z Capital's acquisition of the company in 2017.
13 He has amassed a very experienced leadership team whom I
14 will highlight.

15 For those of you who have been around gaming
16 in Missouri for a while, Mary Beth Higgins, our CEO, is
17 a name you may remember. She was CFO for Herbst Gaming
18 when they purchased the Missouri properties in 2005 and
19 is intimately familiar with the properties here from the
20 acquisition and management during that time. Mary Beth
21 returned to us as CFO in 2018 and then CEO in 2019, and
22 is sorry she can't be here today.

23 Eric Fiocco, our COO, has extensive
24 experience with the Tropicana organization previously as
25 CMO, and VP of Operations at multiple properties in

1 Atlantic City.

2 And Andrei Scrivens is our most recent
3 addition from Z Capital and is leading many of the
4 financial decisions and actions that you have received
5 notice of in recent months.

6 The corporate office remains a very strong
7 supportive partner to our operations here in Missouri.
8 Mary Beth is a huge proponent of backing women and
9 minority-based businesses and has encouraged some of the
10 continued growth that you'll see in the property
11 presentations.

12 The company has made positive strides
13 recently in regards to its financial position. Many of
14 the details were provided to the Commission recently as
15 refinancing was completed. The result has been positive
16 movement in our S&P credit rating and some additional
17 financial freedom that will benefit the company moving
18 forward.

19 As you can see here, Affinity Gaming has
20 contributed nearly \$74 million in taxes to the state of
21 Missouri, counties of operation, and home dock cities
22 since our last relicensing in 2017. Nearly 3 million in
23 payroll taxes, 12 million in admission taxes and over
24 50 million in gaming taxes help support initiatives on
25 the local, State and county levels alike.

1 At this time that is the information I have
2 to present for Affinity Gaming. I'd be happy to address
3 any questions to the best of my ability.

4 CHAIRMAN LEARA: Any questions for
5 Mr. Keller?

6 Seeing none, thank you.

7 MR. KELLER: All right.

8 CHAIRMAN LEARA: Now we have Mr. Tamburelli.

9 MR. KELLER: Actually I am going to move
10 forward with Mark Twain with you. It's just the order
11 we have. And Mike, who just arrived here, it will give
12 him a chance to get ready to go.

13 (Commissioner Finney arrived.)

14 CHAIRMAN LEARA: Note Mr. Finney's presence.

15 MR. KELLER: At this time I would like to
16 introduce John Roach, City Administrator for the City of
17 LaGrange, who has joined us today; Mike Lowe, who is
18 also here today from the City of LaGrange; and Carol
19 Henze is here as a representative from the City Council
20 of LaGrange.

21 I have been Vice President and General
22 Manager for nearly three years now and am excited about
23 the future of our property in Northeast Missouri.

24 We're happy that everyone could make the trip
25 here, especially considering the weather, and we'll move

1 on with our presentation here.

2 As you can see here, our tax and
3 contributions to our home dock jurisdiction in LaGrange
4 have been pretty consistent and resilient from 2017
5 through 2019.

6 We have faced a significant increase in
7 competition from the video gaming terminals across the
8 river in Illinois since our last relicensing, as well as
9 some unavoidable situations with flooding in 2018, as
10 well as two near record floods in 2019, so we are happy
11 with the consistency we have been able to maintain
12 before the pandemic situation in 2020.

13 We did not close during the 2018 or '19
14 floods but access to the facility and parking were
15 greatly reduced with the high waters.

16 As I said a few seconds ago, our business has
17 survived major impacts to volumes over the past few
18 years, but we have continued to be consistent with our
19 revenues and taxes paid from them.

20 A couple of notes on the video gaming
21 terminals in Illinois.

22 In 2017 in Quincy, Adams County, they average
23 137 machines per month, with revenues of \$569,000. In
24 2019, the last full year of operation, they averaged
25 265 machines, with monthly revenues of 1.14 million,

1 So nearly double. And for the most in 2020 they have
2 averaged 288 machines, with monthly revenues of
3 1.38 million. So since 2017 their volumes have doubled.

4 Here is some additional information regarding
5 Mark Twain Casino's payroll, payroll taxes and the
6 number of people employed.

7 With COVID protocols in place we have made
8 some significant changes to our offerings for the time
9 being. Our bigger restaurant remains closed, and we
10 have reduced table game availability for the time being.

11 These numbers will increase as things return
12 to normal, but we are proud of the more than \$3 million
13 paid to our employees during the pandemic stricken year
14 2020 and are ever thankful for their resilient and
15 committed efforts to our property.

16 Our biggest challenge when it comes to
17 staffing is that the employee pool isn't very big. The
18 relatively small population of the area does not have a
19 lot of gaming experience, but we are always happy to
20 train interested candidates and have a wide corporate
21 reach when needing to fill harder to fill positions.

22 Overall I couldn't be more proud of the
23 strength and resiliency of our staff through all of the
24 issues over the past few years.

25 Moving on to capital movements at Mark Twain.

1 A lot of the improvements made in the past few years
2 have been behind the scenes. They're not sexy but
3 definitely impact the guest experience in a positive
4 way.

5 An entirely new HVAC system was installed in
6 2017 increasing air circulation and filtration on the
7 casino floor. A total replacement of the surveillance
8 system was completed in 2020 and has drastically
9 improved our abilities in that area, and I know that was
10 greatly appreciated by the Highway Patrol staff on the
11 property. Improvement of the slot offering continues on
12 an annual basis, and will in 2021 as well.

13 And the real big project for this year is a
14 forward-facing remodel of the entrance area to the
15 casino that we are very excited about. Some of the next
16 few slides will show you some of the early renderings,
17 not quite finalized, but it will give you an idea.

18 For those of you who have been to the St. Jo
19 property since their remodel, you'll see some
20 similarities to what was done after the flood. It will
21 be a game changer for our guests, allowing for a more
22 appealing and modern aesthetic, freer flowing movement
23 to our F&B amenities, and a general refresh of the
24 experience.

25 So this shows a view from the main entrance

1 into the facility, what it will look like.

2 This is from the restaurant seating area
3 towards the casino floor. It's a little hard to see.
4 You can see it better in your packet. It includes a new
5 sports bar and reconfiguration of the food service area.

6 This is from the bar back towards the main
7 entrance, and finally a reimagined dining area with a
8 fire feature.

9 We're very excited about the changes coming
10 in 2021 and beyond to improve the customer experience at
11 our facility.

12 Creating a diverse work environment is
13 something we are committed to locally, as well as at our
14 corporate office. Three-quarters of our employees are
15 from the state of Missouri, despite our major feeder
16 market being in Illinois.

17 Currently 11 percent of our staff is made up
18 of minorities, which is similar to the demographics of
19 the area. 51 percent of our current staff is female.

20 And again, employee diversity is something we
21 are committed to look forward to continued growth in
22 this area.

23 As you can see here, we have increased our
24 annual percentage of spend with minority and women-owned
25 businesses since our last relicensing. In 2017 we spent a

1 little more than 14 percent of our overall spend with
2 these companies and that has grown to nearly 21 percent
3 in 2019.

4 While there is some variation to the spend
5 within each group, we are proud of the overall growth
6 and continue to look for new lines of women and
7 minority-owned vendors to provide for us.

8 The 2020 number will come in along the same
9 lines as 2019 despite spend reduction due to the
10 pandemic and reopening strategy.

11 We're a little bit challenged at Mark Twain
12 by geography and facility storage limitations when it
13 comes to some of the larger women and minority providers
14 in the state, but we do what we can and will continue to
15 evaluate where and when we can support these businesses.

16 The LaGrange area remains a safe place to
17 operate our business, with crime rates lower than state
18 and national levels. These are 2019 numbers as 2020
19 numbers were not yet available.

20 We have a great relationship with local
21 police, and they have been very responsive to our needs
22 when they come up. We have improved relations with our
23 MGC patrol staff as well since our last relicensing and
24 continue to foster a symbiotic relationship with their
25 office through increased communication.

1 We also remain committed to the disassociated
2 persons program. All staff members are eligible for a
3 reward if they recognize a disassociated person on the
4 property and have issued several rewards during the past
5 four years.

6 We believe this is an important part of the
7 integrity of gaming in Missouri and will continue to be
8 vigilant in our efforts to prevent banned persons from
9 gaming in our facility.

10 Very similar to the last slide, we are very
11 committed to the identification of those attempting to
12 play at our facility while underage. We use a Veridocs
13 scanner at the front entrance to help identify
14 fraudulent and underage identification.

15 We remain vigilant in maintaining that
16 gambling is for those aged 21 and older only at Mark
17 Twain Casino.

18 Our charitable donations have remained
19 relatively consistent in the past couple years,
20 including 2020.

21 With the pandemic we were forced to change
22 our strategy a little bit but contributed directly to
23 areas in need. We plan to resume a more diverse
24 distribution of donations as the region opens back up.

25 Our other contribution to the region has been

1 delivered by our staff. Our people have contributed a
2 lot of time to a variety of organizations, and we are
3 very proud of their efforts.

4 We did have a unique opportunity to host the
5 Vietnam Memorial wall at our property for a week. For
6 those of you who don't know what that is, it's a scaled-
7 down replica of the Vietnam Memorial wall in
8 Washington D.C. It was a breathtaking addition and made
9 a significant impact to those who were able to come see
10 it and participate in the display.

11 At this time I would like to introduce John
12 Roach, City Administrator for the City of LaGrange.

13 MR. ROACH: Thank you, Mr. Chairman and
14 Commissioners. My name is John Roach. I'm the City
15 Administrator with the City of LaGrange, and today we're
16 here just in support of the relicensure of Mark Twain
17 Casino.

18 We have a good working relationship with Luke
19 and others at the casino, and, you know, really we
20 couldn't ask for too much more. We see nothing bad, I
21 guess you could say, and I'm really excited about the
22 new expansion that we'll get to see here in the near
23 future at Mark Twain Casino and see what that has for
24 the folks that do come visit.

25 So with that, like I said, we're excited

1 about the future.

2 CHAIRMAN LEARA: Thank you, Mr. Roach.

3 Was Mr. Corbin going to speak?

4 MR. KELLER: Due to the weather Mr. Corbin
5 did not make the trip, but Mayor Mike Lowe would like to
6 say a few words in his stead if that's possible.

7 CHAIRMAN LEARA: He is welcome to do so now.

8 MAYOR LOWE: I just want to say that I'm
9 happy to be here. I was on the Council, and I've been
10 mayor for the last three terms since the boat has
11 started.

12 There's a lot of things that LaGrange has
13 been able to do because we've got the boat, a wastewater
14 treatment plant, street improvements, water lines, sewer
15 lines. Without it we'd be traveling on gravel streets,
16 and I'm just tickled to death that they're here and hope
17 that they stay another 50 or 60 years.

18 So that's all I've got. You-all have a
19 wonderful day. Thank you.

20 CHAIRMAN LEARA: Thank you, Mr. Mayor.

21 MR. KELLER: Thanks, Mike.

22 CHAIRMAN LEARA: Mr. Keller, anyone else?

23 MR. KELLER: No. That will be it.

24 I want to thank you for the opportunity to
25 present to you today. It's a privilege to operate in

1 Missouri, and we thank you for letting us be here. I'd
2 be happy to answer any questions that you guys have at
3 this time.

4 CHAIRMAN LEARA: Seeing none, thank you.

5 MR. KELLER: I'll turn it over to Mike
6 Tamburelli who is going to present for St. Jo Casino.

7 MR. TAMBURELLI: Good morning. My name is
8 Mike Tamburelli. I just flew in from Kansas City.
9 Sorry for being late. I didn't anticipate the weather.
10 It's crazy.

11 I've been with Affinity Gaming for five
12 years. I was the Director of Operations from 2015 to
13 2018. In 2018 I became the General Manager of the
14 casino.

15 I want to tell a story real quick. I want to
16 talk about the flood and I want to talk about COVID,
17 because I'm going to refer to a lot back with the spend,
18 with the MBE/WBE spend.

19 So in 2019 we had a flood. We were closed
20 for a total of 41 days. Our whole land base was
21 demolished. There was four or five feet of water in the
22 land-based facility, and that land based was closed
23 throughout 2019. We opened the buffet, our sports bar,
24 our Jo's Coffee in 2020 in January.

25 Property taxes through 2020. As you can see,

1 2019 was pretty low due to the flood. We did open real
2 quick. We cut a hole into the boat and we have another
3 entrance. So in 2011 they were closed for six months.
4 So we got the boat opened real quick as soon as
5 possible.

6 Our payroll. As you can see, in 2019 we had
7 the flood. We have 172 FTEs. And when the boat was
8 closed for all that time, we did pay all our associates.
9 So Affinity Gaming paid everybody. That tells what a
10 great company they are.

11 In 2020 right now we have 151 FTEs. We're
12 social distancing. When we opened in June, we had a
13 total of 265 slot machines when we opened. The buffet
14 was closed and we had sparse operations on the casino
15 floor. We have a Winner's Grill. That was the only
16 outlet that was really open. Hopefully we'll ramp up
17 and we'll open up the buffet again and other outlets.

18 Major capital expenditures. In 2017 through
19 2020 the company spent over \$4 million. Most of it was
20 new slot machines, new product on the floor. And for
21 2019, the flood remodel, land-based construction was the
22 bulk of it. I'll show you the pictures down the road.

23 The new buffet and new sports bar, coffee
24 shop, that was the most spend there, and it looks
25 beautiful as we'll show you.

1 That's the flood pictures. They're not
2 beautiful.

3 Total capital expenditures from 2017 to 2020
4 is over \$11 million. So land base was \$4 million. And
5 we put in more, F&B outlets, construction. We had to
6 build a temporary entrance to the casino to get back in
7 business.

8 So the flood pictures. Yeah. Let's go back.
9 Pretty devastating as you can see. We had to access the
10 vessel with a boat. There was five feet of water in the
11 parking lot, and it got into the land base.

12 So that was the turnstile. That was the main
13 entrance.

14 Now this is brand new. This is the beautiful
15 project here. There's been a hallway remodel. Our
16 sports bar is on the left. Our buffet is right behind
17 the sports bar. There's our coffee shop, and there's
18 our Full House Buffet. So that was open. That opened
19 for three months, and in March we had to close due to
20 COVID, so we really haven't had a chance to really show
21 off the product.

22 And there's our sports bar. We have 45 TVs.
23 We're watching the Chiefs. I'm sure everyone is a Chief
24 fan. So we've had some crowds the last couple Sundays.
25 It's been great. So go Chiefs.

1 And we recently painted the outside of the
2 property, and it's the same kind of tones that Mark
3 Twain is going to be doing. Mark Twain is going to be
4 doing a lot of construction, so I'm happy for them.

5 2021 projected capital expenditures is going
6 to be like a million eight. The levy repair. So we
7 have a levy that is right outside of the walkway. There
8 is a walkway right outside the sports bar. During the
9 flood that was compromised a little bit, so we're going
10 to spend over \$1 million fixing that, and that's
11 probably going to be a year project.

12 Our current employee demographics. We have a
13 total of 151 employees, 145 in Missouri, 6 out of state.
14 Minorities currently make up 11 percent of our casino,
15 and female employees currently make up 54 percent of our
16 casino.

17 Our MBE/WBE spend. So I just want to point
18 out, in 2019 we had Scavuzzo's. They're a WBE and they
19 supply all of our food. So that has changed there.
20 457,000 in 2018 to 184,000 in '19. That's the fact
21 there was no land-based facility open. The only thing
22 we had open was the Winner's Bar on the casino floor.

23 And we are continuously -- as Luke stated, we
24 are continuously looking. Our purchasing manager
25 attends all functions. She goes to St. Louis. They

1 have all different things. She's working constantly
2 working on improving our spend.

3 Our spend through the third quarter of 2020
4 is 340,000. Net purchases is 2.4 million.

5 And again, our buffet and our sports bar, we
6 were closed for COVID for 75 days, and the only thing we
7 had open was our Winner's Grill again, so that
8 compromised that.

9 Crime statistics for 2019. St. Jo violent
10 crimes, 405 out of 100,000, and property crimes, 3,800
11 out of 100,000. So pretty low violent and property
12 crimes.

13 We also do reward to our team members for
14 DAPs and problem gamblers. St. Jo offers a \$50 reward
15 to our employees for vigilance in their duties to
16 identify persons in the Missouri DAP program. So again
17 very diligent. We probably spent over the last four
18 years giving our employees around 7, \$800 in rewards. So
19 they're very diligent in spotting people.

20 Underage gambling. St. Jo Frontier offers
21 the same thing, a \$50 reward to our employees. And with
22 the spend from 2017 to 2020 we paid our employees over
23 \$2,600 in rewards.

24 Charitable contributions, 2019 and 2020. I
25 just want to point out when we did close, we had a lot

1 of food that we needed to give it away or it was going
2 to go bad. So we gave some to our employees, and we
3 gave a lot to Noyes Home food bank and YWCA. So very
4 appreciative.

5 A lot of our team members are on boards of
6 Noyes Home and YWCA, so we have a very good relationship
7 with our city.

8 Charitable contributions have been pretty
9 consistent: '17, 33,000; '18, 26,000; 2019 almost
10 30,000, and in '20 right now it's 17,000.

11 And again the Noyes Home, YWCA, Second
12 Harvest. Once a month, Second Harvest, they come to our
13 property and they deliver food. Our employees
14 volunteer, and we have a good relationship with Second
15 Harvest.

16 (Commissioner Boulware arrived.)

17 MR. TAMBURELLI: Employee volunteering. Here
18 are all of the organizations that we're volunteering, a
19 good list, Food Kitchen. I would just point out the
20 same. Our employees, they're always volunteering to
21 work for the City.

22 Here are two letters. So Mr. Bill McMurray,
23 our mayor, and Ron Hook, Lee Sawyer and Scott Burnham
24 from the county. There are two letters here. They
25 couldn't make it today, so they sent these letters in.

1 Any questions that I can answer?

2 COMMISSIONER HANE: So you think the levy
3 repair will hopefully solve future problems?

4 MR. TAMBURELLI: Yes. Absolutely, yes. We
5 have Bill Rooney, our Director of Construction, is in
6 charge of that project, and we're working with the local
7 authorities.

8 So right now it's just -- it's not that you
9 can't walk out there, but it's -- the sidewalk is fine,
10 but we have the actual levy out there. It's just washed
11 away all of the dirt in some areas, not all of the
12 areas. So that will be fixed.

13 COMMISSIONER HANE: Good. Thank you.

14 CHAIRMAN LEARA: Any other questions for
15 Mr. Tamburelli?

16 MR. TAMBURELLI: Thank you very much.

17 COMMISSIONER CONWAY: Mr. Chair.

18 CHAIRMAN LEARA: Mr. Conway.

19 COMMISSIONER CONWAY: Thank you.

20 I just want to reiterate to Mike and his
21 efforts at the casino, the operations, the improvements
22 that they have made under very adverse conditions for
23 the last couple years and the cooperation that they've
24 had with the City and the county has been much
25 appreciated, and we certainly hope their efforts will

1 continue in the future.

2 Thank you, Mr. Chair.

3 CHAIRMAN LEARA: Thank you.

4 MR. TAMBURELLI: Thank you.

5 CHAIRMAN LEARA: Does anyone wish to speak
6 publicly on the relicensure of Affinity Gaming or the
7 two casinos?

8 Seeing none, Corporal Masters, you have the
9 floor when you're ready.

10 CORPORAL MASTERS: Mr. Chairman,
11 Commissioners, good morning.

12 The Missouri State Highway Patrol
13 investigators, along with MGC financial investigators,
14 conducted relicensing investigations of three
15 interrelated companies.

16 The parent company, Affinity Gaming, is based
17 in Las Vegas, Nevada, and is a holder of a Class A
18 riverboat gaming license, along with two of Affinity's
19 wholly owned subsidiaries, St. Jo Frontier Casino
20 located in St. Joseph, Missouri, and Mark Twain Casino
21 located in LaGrange, Missouri, which each hold a Class B
22 riverboat gaming license.

23 The MGC received applications from the
24 aforementioned companies on or about July 31st, 2020 for
25 the renewal of their licenses which are set to expire on

1 January 31st, 2021.

2 These relicensing investigations included,
3 but were not limited to, feedback from affected city,
4 county, State and Federal governmental agencies, a
5 financial analysis, a review of disciplinary actions,
6 litigation and business credit profiles, as well as a
7 review of key persons associated with each company.

8 The findings of these investigations were
9 provided to the MGC staff, and the investigating
10 officers are present to answer any questions you might
11 have.

12 Thank you.

13 CHAIRMAN LEARA: Any questions for Corporal
14 Masters?

15 None.

16 Thank you.

17 Cheryl Bonner, when you're ready.

18 MS. BONNER: Good morning, Mr. Chairman and
19 Commissioners.

20 In September 2020 the Missouri Gaming
21 Commission staff conducted a 100 percent audit of the
22 MBE/WBE records for the Class B licensees, St. Jo
23 Frontier Casino and Mark Twain Casino. The results of
24 our audit and specific details related to those findings
25 are included in the summary report in your possession,

1 and I'll be happy to answer any questions related to those
2 documents.

3 CHAIRMAN LEARA: Any other questions for
4 Ms. Bonner?

5 Seeing none, thank you.

6 MS. BONNER: Thank you.

7 CHAIRMAN LEARA: Do we have a staff
8 recommendation?

9 DEPUTY DIRECTOR MCGRAIL: Staff recommends
10 relicensure.

11 CHAIRMAN LEARA: Okay. Seeing nothing else,
12 the next item would be Resolution No. 21-001, Affinity
13 Gaming's Class A license.

14 I will move for the approval and ask for a
15 second.

16 COMMISSIONER BOULWARE: Second.

17 CHAIRMAN LEARA: We have a second.

18 Any discussion?

19 Seeing none, Angie, call the roll.

20 MS. FRANKS: Commissioner Hane.

21 COMMISSIONER HANE: Approved.

22 MS. FRANKS: Commissioner Conway.

23 COMMISSIONER CONWAY: Approved.

24 MS. FRANKS: Commissioner Boulware.

25 COMMISSIONER BOULWARE: Approved.

1 MS. FRANKS: Commissioner Finney.

2 COMMISSIONER FINNEY: Approved.

3 MS. FRANKS: Chairman Leara.

4 CHAIRMAN LEARA: Approved.

5 MS. FRANKS: By your vote you've adopted
6 Resolution No. 21-001.

7 CHAIRMAN LEARA: Next up Resolution 21-002
8 for the Class B license approval for St. Jo Frontier
9 Casino.

10 I move for the approval.

11 COMMISSIONER FINNEY: Second.

12 CHAIRMAN LEARA: We have a second,
13 Mr. Finney.

14 Any discussion?

15 Angie, please call the roll.

16 MS. FRANKS: Commissioner Hane.

17 COMMISSIONER HANE: Approved.

18 MS. FRANKS: Commissioner Conway.

19 COMMISSIONER CONWAY: Approved.

20 MS. FRANKS: Commissioner Boulware.

21 COMMISSIONER BOULWARE: Approved.

22 MS. FRANKS: Commissioner Finney.

23 COMMISSIONER FINNEY: Approved.

24 MS. FRANKS: Chairman Leara.

25 CHAIRMAN LEARA: Approved.

1 MS. FRANKS: By your vote you've adopted
2 Resolution No. 21-002.

3 CHAIRMAN LEARA: The next item is
4 Resolution No. 21-003, Class B license for Mark Twain
5 Casino.

6 I move for the approval.

7 COMMISSIONER FINNEY: Second.

8 CHAIRMAN LEARA: Second, Mr. Finney.

9 Any discussion?

10 Seeing none, Angie.

11 MS. FRANKS: Commissioner Hane.

12 COMMISSIONER HANE: Approved.

13 MS. FRANKS: Commissioner Conway.

14 COMMISSIONER CONWAY: Approved.

15 MS. FRANKS: Commissioner Boulware.

16 COMMISSIONER BOULWARE: Approved.

17 MS. FRANKS: Commissioner Finney.

18 COMMISSIONER FINNEY: Approved.

19 MS. FRANKS: Chairman Leara.

20 CHAIRMAN LEARA: Approved.

21 MS. FRANKS: By your vote you've adopted
22 Resolution No. 21-003.

23 CHAIRMAN LEARA: Next item, consideration of
24 relicensure of certain suppliers.

25 Corporal Howery, you have the floor when

1 you're ready.

2 CORPORAL HOWERY: Good morning, Mr. Chairman,
3 Commissioners.

4 The Missouri State Highway Patrol, along with
5 a MGC financial investigator, conducted the relicensing
6 investigation of Konami Gaming, Incorporated, who is
7 currently a licensed supplier in the state of Missouri.

8 This investigation consisted of, but was not
9 limited to, jurisdictional inquiries, feedback from
10 affected gaming company clients, a review of
11 disciplinary actions and litigation, a financial
12 analysis and review of business credit profiles and a
13 review of the key persons associated with this company.

14 The result of this investigation was provided
15 to the Missouri Gaming Commission staff for their
16 review, and you possess the respective comprehensive
17 summary report which outlines the investigative
18 findings.

19 The following supplier company is being
20 presented for your consideration: Konami Gaming,
21 Incorporated.

22 Thank you.

23 CHAIRMAN LEARA: Any questions for
24 Mr. Howery?

25 Seeing none, thank you.

1 CORPORAL HOWERY: Thank you.

2 CHAIRMAN LEARA: Do we have a recommendation?

3 DEPUTY DIRECTOR MCGRAIL: We recommend
4 relicensing.

5 CHAIRMAN LEARA: So before us next is
6 Resolution No. 21-004 for the relicensure of Konami
7 Gaming.

8 I move for the approval.

9 COMMISSIONER FINNEY: Second.

10 CHAIRMAN LEARA: We have a second,
11 Mr. Finney.

12 Any discussion?

13 Seeing none, Angie, please call the roll.

14 MS. FRANKS: Commissioner Hane.

15 COMMISSIONER HANE: Approved.

16 MS. FRANKS: Commissioner Conway.

17 COMMISSIONER CONWAY: Approved.

18 MS. FRANKS: Commissioner Boulware.

19 COMMISSIONER BOULWARE: Approved.

20 MS. FRANKS: Commissioner Finney.

21 COMMISSIONER FINNEY: Approved.

22 MS. FRANKS: Chairman Leara.

23 CHAIRMAN LEARA: Approved.

24 MS. FRANKS: By your vote you've adopted
25 Resolution No. 21-004.

1 CHAIRMAN LEARA: Next up, Sergeant Holcomb,
2 consideration of licensure of fantasy sports operator,
3 OwnersBox 3.0 Corporation.

4 SERGEANT HOLCOMB: Good morning, Chairman,
5 Commissioners.

6 OwnersBox 3.0 Corporation submitted an
7 application to the Missouri Gaming Commission on
8 September 4, 2020 for licensure as a fantasy sports
9 contest operator.

10 Missouri Gaming Commission staff financial
11 investigators, with the Missouri State Highway Patrol
12 investigators, completed application reviews and a
13 verification of statutory compliance with the Missouri
14 Fantasy Consumer Protection Act.

15 The results of the review and statutory
16 verification were provided to the Missouri Gaming
17 Commission staff. I'd be glad to answer any questions
18 you might have.

19 COMMISSIONER FINNEY: Do you know how much is
20 in the player fund, the statutory account?

21 SERGEANT HOLCOMB: I do not, but I would
22 refer to legal counsel for that answer.

23 MS. KERR: Are you asking me the total
24 amount?

25 COMMISSIONER FINNEY: Right. And how we keep

1 track of that and what the process is.

2 I know there have been some changes by the
3 Legislature since we had reviewed the trust structure
4 before, so I just would like to know a little bit more
5 about that and know how much is in it.

6 MS. KERR: Right.

7 The company needs to set up a special purpose
8 entity, which is a separate entity and which sets up --
9 which puts the player account into a separate account to
10 hold the player funds.

11 And I'm not exactly sure how much -- what the
12 dollar amount is, but that dollar amount is in a special
13 account that's managed by the special purpose entity,
14 and we look that over and determine that the method that
15 they're using and that the method they're using meets
16 the statutory requirements of Section 313.915.4.

17 For specifics on how we monitor that I
18 would refer to Barb Whittle. But they have met all of
19 those statutory requirements. We've looked at the
20 agreement that they submitted, and they have met all of
21 those.

22 CHAIRMAN LEARA: I think we'll hear from
23 Barb, but I have a comment on this.

24 This is a start-up I believe. This was a new
25 company.

1 MS. KERR: This is a new company, yes.

2 CHAIRMAN LEARA: So those numbers may be very
3 low as it begins to grow?

4 MS. WHITTLE: I'm the manager for fantasy
5 sports.

6 They have OwnersBox Player Research, LLC.
7 And once the licensing is approved, they will have to
8 report monthly to us. So by the 15th of the following
9 month they report residents in Missouri and the amount
10 total in their research and that's monitored monthly as
11 we go.

12 And when they submit the first one, Carolyn
13 and I will sit down, look at it, make sure that what
14 they're reporting is what we're asking for, and then
15 going forward monthly we'll take care of that.

16 They're looking to be profitable by the end
17 of 2021. I think 45,000 players is their target number.

18 CHAIRMAN LEARA: How do you monitor that? So
19 is it self-reporting or do you get bank statements?

20 MS. WHITTLE: We get a bank statement showing
21 it each time and they report to us usually with a
22 screenshot or a query of what their total liability is,
23 total, and what portion of that is Missouri liability.

24 CHAIRMAN LEARA: Very good.

25 Mr. Finney.

1 COMMISSIONER FINNEY: Nothing. Thank you.

2 CHAIRMAN LEARA: Any other questions?

3 Thank you.

4 MS. WHITTLE: Thank you.

5 CHAIRMAN LEARA: Thank you.

6 So we have a resolution -- or did you have
7 anything else, Carolyn?

8 MS. KERR: I just want to make sure I
9 answered your question.

10 COMMISSIONER FINNEY: You did. Thank you.

11 CHAIRMAN LEARA: Sergeant Holcomb, did you
12 have more?

13 SERGEANT HOLCOMB: No, sir.

14 CHAIRMAN LEARA: So before us is a resolution
15 for the licensure -- this is I guess the initial
16 licensure. Is that correct?

17 SERGEANT HOLCOMB: Correct.

18 CHAIRMAN LEARA: OwnersBox 3.0 Corporation,
19 Resolution No. 21-005.

20 I move for the approval.

21 COMMISSIONER FINNEY: Second.

22 CHAIRMAN LEARA: Second, Mr. Finney.

23 Any discussion?

24 Seeing none, Angie, please call the roll.

25 MS. FRANKS: Commissioner Hane.

1 COMMISSIONER HANE: Approved.

2 MS. FRANKS: Commissioner Conway.

3 COMMISSIONER CONWAY: Approved.

4 MS. FRANKS: Commissioner Boulware.

5 COMMISSIONER BOULWARE: Approved.

6 MS. FRANKS: Commissioner Finney.

7 COMMISSIONER FINNEY: Approved.

8 MS. FRANKS: Chairman Leara.

9 CHAIRMAN LEARA: Approved.

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

11 Resolution No. 21-005.

12 CHAIRMAN LEARA: Next item, consideration of
13 licensure of certain Level I and key applicants.

14 Sergeant McTheeney, you have the floor when
15 you're ready.

16 SERGEANT MCTHEENEY: Mr. Chairman and
17 Commissioners, good morning.

18 Missouri State Highway Patrol investigators
19 and Missouri Gaming Commission financial investigators
20 conducted comprehensive background investigations on
21 Key and Level I applicants.

22 The investigations included, but were not
23 limited to, criminal, financial and general character
24 inquiries which were made in the jurisdictions where the
25 applicants have lived, worked and frequented.

1 times did you practice that last night?

2 SERGEANT MCTHEENEY: Fortunately I got to
3 speak to these individuals, so they were able to help me
4 out a little bit.

5 CHAIRMAN LEARA: I have a question.

6 It seems that we're wrapping up a number of
7 the Carta licenses. Some go back almost a year I think.
8 Isn't that right? Because we weren't real clear on who
9 needed to be in there. Does this wrap this up?

10 SERGEANT MCTHEENEY: So the companies were
11 previously licensed, and these are the individuals that
12 were associated with those companies. There has since
13 been more individuals come in --

14 CHAIRMAN LEARA: Okay.

15 SERGEANT MCTHEENEY: -- so there will be more
16 to follow.

17 CHAIRMAN LEARA: Okay. Very good.

18 Any other questions?

19 Seeing none, thank you, Sergeant.

20 All right. We have Resolution No. 21-006,
21 consideration of licensure of certain Level I and key
22 applicants.

23 I move for the approval.

24 Do we have a second?

25 COMMISSIONER BOULWARE: Second.

1 CHAIRMAN LEARA: Second.

2 Any discussion?

3 Seeing none, Angie, please call the roll.

4 MS. FRANKS: Commissioner Hane.

5 COMMISSIONER HANE: Approved.

6 MS. FRANKS: Commissioner Conway.

7 COMMISSIONER CONWAY: Approved.

8 MS. FRANKS: Commissioner Boulware.

9 COMMISSIONER BOULWARE: Approved.

10 MS. FRANKS: Commissioner Finney.

11 COMMISSIONER FINNEY: Approved.

12 MS. FRANKS: Chairman Leara.

13 CHAIRMAN LEARA: Approved.

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

15 Resolution No. 21-006.

16 CHAIRMAN LEARA: The next item is

17 consideration of waiver of institutional investors.

18 Terri Hutchison, you have the floor.

19 MS. HUTCHISON: Good morning, Mr. Chairman,

20 Commissioners.

21 Under Tabs H and I we have two requests for

22 waiver of licensure for institutional investors. Item H

23 is Caledonia (Private) Investments Pty Limited, and

24 Item I is Janus Capital Management LLC.

25 Caledonia Limited is a company that invests

1 in mid to large companies. They are a hedge fund out of
2 Sidney, Australia. They are a private company that is
3 registered as an investment advisor firm with the SCC.

4 Janus Capital Management LLC is a mid-size
5 equity firm based in London, England. The company was
6 formed in 2017 by the merger of Janus Capital Group and
7 Henderson Global Investments. They are a publicly
8 traded company that is also registered as an investment
9 advisor firm with the SEC. Janus Henderson invests in
10 companies of all sizes.

11 Caledonia currently owns a 9.43 percent
12 interest in Scientific Games Corporation, and Janus
13 currently owns an 7.72 percent interest in Century
14 Casinos, Inc.

15 Both companies are requesting authority to
16 acquire up to 20 percent in shares of stock in Missouri
17 Gaming Commission licensees as an institutional
18 investor. Staff reviewed both companies and they
19 qualify as institutional investors.

20 CHAIRMAN LEARA: Any questions?

21 Seeing none, Terri, thank you.

22 Next, Caledonia, Resolution No. 21-007. I
23 move for the approval and ask for a second.

24 COMMISSIONER BOULWARE: Second.

25 CHAIRMAN LEARA: Second.

1 Any discussion?

2 Seeing none, Angie, please call the roll.

3 MS. FRANKS: Commissioner Hane.

4 COMMISSIONER HANE: Approved.

5 MS. FRANKS: Commissioner Conway.

6 COMMISSIONER CONWAY: Approved.

7 MS. FRANKS: Commissioner Boulware.

8 COMMISSIONER BOULWARE: Approved.

9 MS. FRANKS: Commissioner Finney.

10 COMMISSIONER FINNEY: Approved.

11 MS. FRANKS: Chairman Leara.

12 CHAIRMAN LEARA: Approved.

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

14 Resolution No. 21-007.

15 CHAIRMAN LEARA: The next item would be

16 Resolution No. 21-008, Janus Capital.

17 I'll move for the approval.

18 COMMISSIONER BOULWARE: Second.

19 CHAIRMAN LEARA: We have a second.

20 Any discussion?

21 Seeing none, Angie, please call the roll.

22 MS. FRANKS: Commissioner Hane.

23 COMMISSIONER HANE: Approved.

24 MS. FRANKS: Commissioner Conway.

25 COMMISSIONER CONWAY: Approved.

1 MS. FRANKS: Commissioner Boulware.

2 COMMISSIONER BOULWARE: Approved.

3 MS. FRANKS: Commissioner Finney.

4 COMMISSIONER FINNEY: Approved.

5 MS. FRANKS: Chairman Leara.

6 CHAIRMAN LEARA: Approved.

7 MS. FRANKS: By your vote you've adopted
8 Resolution No. 21-008.

9 CHAIRMAN LEARA: The next item on the agenda
10 is a motion for a closed meeting under Section 313.847,
11 Revised Statutes of Missouri, investigatory, proprietary
12 and application records, and Section 610.021, Section 1,
13 Revised Statutes of Missouri, legal actions and matters
14 subject to attorney-client privilege, Section 3 and 13
15 personnel, 12 contracts, and Section 14 records
16 protected from disclosure by law.

17 That is a motion and I ask for a second.

18 COMMISSIONER HANE: Second.

19 CHAIRMAN LEARA: I have a second.

20 Any discussion?

21 CHAIRMAN LEARA: Seeing none, Angie, please
22 call the roll.

23 MS. FRANKS: Chairman Hane.

24 COMMISSIONER HANE: Approved.

25 MS. FRANKS: Commissioner Conway.

1 COMMISSIONER CONWAY: Approved.
2 MS. FRANKS: Commissioner Boulware.
3 COMMISSIONER BOULWARE: Approved.
4 MS. FRANKS: Commissioner Finney.
5 COMMISSIONER FINNEY: Approved.
6 MS. FRANKS: Chairman Leara.
7 CHAIRMAN LEARA: Approved.
8 CHAIRMAN LEARA: We will now go into closed.
9 Thank you all.
10 WHEREIN, the meeting concluded at 10:28 a.m.

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CERTIFICATE OF REPORTER

I, Patricia A. Stewart, CCR, a Certified Court Reporter in the State of Missouri, do hereby certify that the foregoing testimony was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this testimony was taken, nor financially or otherwise interested in the outcome of the action.

Patricia A. Stewart
CCR 401

MISSOURI GAMING COMMISSION
Second Open Session Minutes
January 27, 2021

The Missouri Gaming Commission (the “Commission”) went into the second open session at approximately 11:50 a.m. on January 27, 2021, at the Missouri Gaming Commission, 3417 Knipp Drive, Jefferson City, Missouri.

Chairman Leara moved to adjourn the open session meeting. Commissioner Finney seconded the motion, and after a roll call vote was taken, Hane – yes, Conway – yes, Boulware – yes, Finney – yes, and Leara – yes, the motion passed unanimously.

The second open session meeting ended at 11:51 a.m.