

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BEFORE THE MISSOURI GAMING COMMISSION

STATE OF MISSOURI

MEETING

December 1, 2010

Missouri Gaming Commission
3417 Knipp Drive
Jefferson City, Missouri

COMMISSIONERS PRESENT:

- James L. Mathewson, Chairman
- Darryl T. Jones
- Noel J. Shull
- Jack L. Merritt
- Barrett Hatches

REPORTED BY:

Nancy L. Silva, RPR, CCR
TIGER COURT REPORTING, LLC
3610 Buttonwood, Suite 200
Columbia, Missouri 65201
573.886.8942

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

AGENDA

PAGE

I. Call to Order 5:6

II. Consideration of Prioritization of Applicant for Investigation
A. Resolution No. 10-123 5:19

III. Consideration of Minutes
B. September 27, 2010 23:22
C. September 28, 2010 23:22
D. September 29, 2010 23:22
E. September 29, 2010 23:22
F. October 19, 2010 25:2
G. October 20, 2010 25:2

IV. Consideration of Hearing Officer Recommendations
H. American Legion Post 297
 1. Resolution No. 10-001-B 26:12
I. Gayle Ezell
 1. Resolution No. 10-124 38:3
J. Loreto Vuong
 1. Resolution No. 10-125 42:23
K. David Muchnick
 1. Resolution No. 10-126 45:9
L. Brian Black
 1. Resolution No. 10-127 52:24
M. Scott Guerra
 1. Resolution No. 10-128 56:3

V. Consideration of Reorganization and Licensure of Certain Key Business Entities
N. Isle of Capri Casinos, Inc.
 1. Resolution No. 10-129 58:8

VI. Consideration of Change of Control and Finding of Suitability for Licensure of Certain Class A & B Licensees
O. Herbst Gaming, L.L.C.
 1. Resolution No. 10-130 60:20
 2. Resolution No. 10-131 60:20

VII. Consideration of Change of Name of Class A Licensee
P. Harrah's Entertainment, Inc.
 1. Resolution No. 10-132 68:2

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

AGENDA (cont.)

- VIII. Consideration of Relicensure of Certain Suppliers
 - Q. Atlantic City Coin & Slot Service Company
 - 1. Resolution No. 10-133 71:15
 - R. Atronic Americas, L.L.C.
 - 1. Resolution No. 10-134 73:12
 - S. Gaming Laboratories International, L.L.C.
 - 1. Resolution No. 10-135 74:7
- IX. Consideration of Licensure of Certain Supplier
 - T. Lightning Poker
 - 1. Resolution No. 10-136 75:13
 - 2. Resolution No. 10-139 75:13
- X. Consideration of Licensure of Level I/Key Applicants
 - U. Resolution No. 10-137 78:12
- XI. Consideration of Disciplinary Actions
 - V. PNK (River City), L.L.C., d/b/a River City Casino
 - 1. DC-10-417 81:17
- XII. Delegation of Authority for Chairman
 - W. Resolution No. 10-138 88:4
- XIII. Consideration of Rules & Regulations
 - X. Proposed Amendment.
 - 1. 11 CSR 45-12.090 - Rules of Liquor Control 90:8
- X. Consideration of Relicensure of Bingo Manufacturers and Suppliers
 - Y. Bingo Suppliers
 - 1. Resolution No. 10-002-B 94:2
 - Z. Bingo Manufacturers
 - 1. Resolution No. 10-003-B 96:3
- XV. New Business 97:11
- XVI. Old Business 97:20

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

AGENDA (cont.)

XVII. Motion for Closed Meeting under
Sections 313.847 and 610.021(1)
(11), (12) and (14)

98:13

1 CHAIRMAN MATHEWSON: Commissioners,
2 Mr. Stottlemyre, are we ready to roll?

3 DIRECTOR STOTTLEMYRE: Yes, sir.

4 CHAIRMAN MATHEWSON: Angie, would you call
5 the roll, please.

6 MS. FRANKS: Chairman Mathewson.

7 CHAIRMAN MATHEWSON: Here.

8 MS. FRANKS: Commissioner Shull.

9 COMMISSIONER SHULL: Present.

10 MS. FRANKS: Commissioner Jones.

11 COMMISSIONER JONES: Present.

12 MS. FRANKS: Commissioner Hatches.

13 COMMISSIONER HATCHES: Present.

14 MS. FRANKS: Commissioner Merritt.

15 COMMISSIONER MERRITT: Present.

16 CHAIRMAN MATHEWSON: Okay. All
17 commissioners are present and accounted for.

18 Mr. Stottlemyre.

19 DIRECTOR STOTTLEMYRE: Yes, sir. The
20 first order of business will be consideration of
21 prioritization of applicant for investigation, and
22 I'd like to make a few comments before I turn it over
23 to you, if I might.

24 CHAIRMAN MATHEWSON: Okay.

25 DIRECTOR STOTTLEMYRE: Chairman and

1 Commissioners, good morning.

2 THE COMMISSIONERS: Good morning.

3 DIRECTOR STOTTLEMYRE: We do have a full
4 schedule today, and I know you have worked a lot on
5 preparing for what we're getting ready to do here,
6 but I will tell you, behind Tab A are four
7 resolutions regarding prioritization of applicants
8 for investigation for the remaining Excursion
9 Riverboat Gaming License available within the state
10 of Missouri.

11 On May 11, the Missouri Gaming Commission
12 staff met with current Missouri casino licensees to
13 gain their insight and input concerning the issuance
14 of an additional license and solicit information from
15 which to conduct an economic analysis. Licensees
16 were given until June 15 to provide the information
17 requested on the economic analysis questionnaire.

18 On May 18, the Missouri Gaming Commission
19 staff met to inform prospective candidates,
20 companies, and communities of the application
21 requested -- or the application and preapplication
22 process and time line.

23 By July 15 we had received information
24 from applicants as to the size and scope of their
25 investments and economic analysis of the projects.

1 We knew from the beginning of this process that we
2 were going to work with MERIC, the Missouri Economic
3 Research and Information Center, within the
4 Department of Economic Development through a
5 memorandum of understanding for them to develop a
6 comprehensive economic analysis for the state.

7 On July 28, Missouri Gaming Commission
8 staff had a meeting with MERIC to assess the
9 preliminary information of the economic analysis
10 questionnaire. September 1 was our deadline for
11 receiving applications with the \$50,000 filing
12 fee.

13 On that date we received five
14 applications. One was deemed incomplete and
15 returned, which left us with four applications to
16 consider. Those applications were from Casino
17 Celebration, L.L.C., the City of St. Louis; Isle of
18 Capri, Cape Girardeau, L.L.C., for Cape Girardeau;
19 and North County Development, L.L.C., for North
20 St. Louis County; and Paragon Gaming, L.L.C., for
21 Sugar Creek.

22 Staff, including financial and criminal
23 investigators and licensing personnel, went to work
24 conducting preliminary investigations into each
25 applicant company. Each application is 43 pages in

1 length, contains 68 questions requiring 93
2 exhibits -- some exhibits having more than 40
3 parts -- with one part of one exhibit requiring the
4 inclusion of state and federal tax returns for the
5 previous five years. In some instances we also
6 requested even more information from the
7 applicants.

8 The next step on our time line was the
9 public hearings, which were conducted at the end of
10 September to hear the proponents and opponents in
11 Cape Girardeau, the St. Louis area, and Sugar
12 Creek.

13 After our monthly Missouri Gaming
14 Commission meeting on October 19, we had a closed
15 session meeting with MERIC to receive an update on
16 their progress in developing the comprehensive
17 economic analysis.

18 North County Development, L.L.C.,
19 notified Missouri Gaming Commission staff on October
20 19 that they would not be making a presentation the
21 following day in Jefferson City. Three casino
22 companies, along with representatives from their home
23 dock communities made presentations before you on
24 October 20 in Jefferson City.

25 The Missouri Gaming Commission

1 commissioners and staff met on November 15 in closed
2 session to review proprietary financial information
3 on the remaining three applicants. On Friday,
4 November 26, we released to the public the MERIC
5 economic analysis of casino applicants for Missouri's
6 gaming license.

7 The road that has gotten us to this point
8 has required many hours by staff and by you, the
9 Commission. Each applicant and jurisdiction has
10 invested significant time and resources in the
11 planning and submission of applications, supporting
12 documentation, home dock plans, and oral
13 presentations.

14 Staff has devoted numerous hours
15 scrutinizing applicant information, digesting and
16 organizing materials, working with the applicants and
17 jurisdictions to provide you with the information
18 necessary to make an informed decision.

19 I commend both the staff and you, the
20 commissioners, for the time, dedication, and
21 diligence in evaluating all the information they have
22 had before them. Each commissioner attended every
23 meeting and every public -- and all the public
24 hearings. I am confident any decision by the
25 Commission concerning the prioritization of

1 applicants is being made in the best interest of the
2 state, having considered all criteria required by law
3 and regulation.

4 To ensure you fulfill your statutory and
5 regulatory responsibilities, you have reviewed 11 CSR
6 45-4.060 and will be discussing those elements this
7 morning. Additionally, the process of selecting an
8 applicant for priority investigation will continue
9 with your discussion this morning.

10 At this time, Mr. Chairman, I would turn
11 it over to you.

12 CHAIRMAN MATHEWSON: Thank you, Roger.
13 Appreciate it very much.

14 When we started this whole process, we
15 certainly wanted to have the opportunity to review
16 every section of the statutes as it relates to -- and
17 for us to determine, that the way we're going is the
18 right direction with several different issues, so
19 there was no one single issue that we were going to
20 make an evaluation on or make our final decision on.
21 We -- we have done that.

22 And let me just quickly go through those
23 step by step for the record so that there's no
24 question about it. First was the support or
25 opposition of the governing body of the home dock or

1 the county, and all three applicants and
2 jurisdictions have home docking community approval.

3 The availability and suitability of a
4 docking site: All three applicants have available
5 and suitable docking sites.

6 The financial resources of the
7 applicant: This is an important factor, because the
8 financial resources of each applicant are proprietary
9 in nature and may not be disclosed. I have said
10 repeatedly through all of our public hearings, either
11 in your communities or when we accepted the
12 application from you here in Jeff City, that that was
13 one of the keys that we were going to look at very,
14 very carefully.

15 We have not only used what we believe to
16 be excellent staff that we have onboard, but we also
17 have former IRS investigators, that that was their
18 job. They are retired now, and we have sought their
19 counsel and our evaluation, plus the highway patrol
20 and their investigation opportunities and their
21 knowledge of the investigations.

22 That one, to me, was really a key on
23 knowing for sure as best we could determine that we
24 would have an applicant that we made a decision if we
25 chose to do so that had the financial wherewithal to

1 complete that project. And you-all heard me, if
2 you've been at any of the meetings, time and time
3 again I emphasized that.

4 In fact, I think at a couple of the
5 meetings I said, if that building is started and goes
6 half completed and the financial ability to complete
7 it goes south, then I'm going south because I don't
8 want to be around to have to justify why there's a
9 half-built building sitting somewhere in the state of
10 Missouri.

11 The next one was the applicant's
12 experience in managing a licensed gaming
13 operation. Technically, there is only one applicant
14 with experience in operating and managing a licensed
15 gaming operation in Missouri -- in Missouri, but the
16 other applicants have experience in the gaming
17 industry.

18 Next, the applicant's history of
19 regulatory compliance in Missouri and/or other
20 jurisdictions: We checked all those. None of the
21 applicants or any of their affiliates have any
22 extraordinary regulatory issues. That was important
23 to us: Had they had trouble in other states, other
24 areas?

25 The economic impact to the state: This

1 section, or this item, refers to the net new gaming
2 taxes for education, which, if you know anything
3 about my history in the legislature, and I think all
4 four of the other commissioners stand as well, that
5 we were looking very closely and very carefully at
6 that issue because it's important to be able to
7 maintain revenue stream to support our young people
8 into the future.

9 The next was the economic impact on the
10 home dock city or county and the surrounding region,
11 including competing excursion gambling boats, local
12 business, and local government. Other things we may
13 want to consider in these categories are new
14 employment, wages, and gross domestic product. We
15 looked carefully at that.

16 The quality and scope of the proposed
17 development: In setting the applicant for
18 investigation, the Commission primarily focuses upon
19 the initial phase of the proposed project. Because
20 of the level of uncertainty, subsequent planned
21 phases are not given the weight given to the first
22 phase. Detailed written descriptions and oral
23 presentations of each proposal have been submitted to
24 and reviewed by each member of the Commission.

25 The status of government actions required

1 for the facility: There do not appear to be any
2 extraordinary issues related to the road
3 improvements, public utility improvements, or
4 governmental improvements related to any of the
5 applicant sites. Any applicant will be required to
6 address any environmental concerns, then any other
7 information deemed necessary.

8 I want to, you know, personally -- and
9 you-all, every one that's ever been to any of our
10 meetings, has heard me jokingly and other members of
11 the Commission jokingly talk about the great salary
12 we get. This hundred dollars a month is killing us.
13 We can't hardly spend it.

14 This Commission, as Roger pointed out,
15 has not missed a meeting. Every person up here has
16 been to every public hearing. That two-day run we
17 had from St. Louis to Cape Girardeau, back to
18 St. Louis, two hearings there, over to Kansas City to
19 Sugar Creek and that hearing was a long two days, and
20 we drove it. We didn't have an airplane, okay? I
21 suggested one. They said no. "They" meaning staff,
22 not us. We drove it all.

23 I can't be prouder to have had the honor,
24 really, of serving with these four people sitting --
25 that are up here and two that started out with us

1 that are no longer on the Commission. I thank you
2 all very, very much. You've been focused on this
3 issue. You've brought up excellent thoughts as we've
4 gone through this process, and I don't know how it
5 could've been done any better.

6 I want to thank Roger, our director, and
7 our staff, all of you. Thank you all very, very,
8 much. Angie, LeAnn, Bill, I thank you. You guys
9 have been great. Thank you very, very much for
10 everything you've done. You kept us informed as we
11 moved along, and we appreciate that.

12 Now, I said jokingly to start with that
13 it might not be a happy day in River City. This is
14 tough, guys. And this, in the state of Missouri, has
15 not been done, okay? That's the reason why we have
16 asked everything be transcribed, everything that
17 we've done, because we want future commissions to
18 have the opportunity to review all of the tapes and
19 all of the information that we've gleaned after our
20 process.

21 It's not easy, but this morning let me
22 also tell you, being a little country boy, as God as
23 my witness, I have not a clue what anybody -- any of
24 the people up here are going to do this morning. We
25 have not previously discussed it. It is -- we have

1 sought information, we have gleaned that information,
2 we have all had the same information. We've all
3 asked questions. We've researched. We've taken a
4 lot of time, effort, and energy to reach this
5 point.

6 We have before us -- as Roger Stottlemayre
7 mentioned, we have, actually, four resolutions before
8 us. We have one from each one of the license
9 applications and we have one to take no action. As I
10 have mentioned and all of the commissioners have
11 mentioned all the way through this process, the law
12 doesn't say that we're required to take any action.
13 It just says there can't be more than 13.

14 So I'm going to ask the commissioners to
15 -- for any questions they have of staff or me or
16 whatever. We're not taking public testimony this
17 morning because we've done that time and time again
18 around the state. We've given everyone an
19 opportunity to be heard.

20 We've now reached that point where it's
21 time that we get down to what we're going to take as
22 our final action on this issue of one license
23 application for the state of Missouri. And, again, I
24 emphasize: This is not predetermined, I guarantee
25 you. I have not a clue what any one of them is going

1 to do.

2 After discussion we're going to have the
3 opportunity -- I will ask for a motion. It will
4 require, if seconded, three votes if it's to carry.
5 If there is no motion, we can just shut this thing
6 down and do nothing, okay? Bottom line, we take no
7 action. It will require three votes if we're going
8 to grant a license.

9 I'm going to be voting last, so you know,
10 just in case I want to break a tie. I have told the
11 other commissioners that that's going to happen,
12 okay, and they're in agreement with that. We thank
13 you all for being here. I will open it up.

14 COMMISSIONER MERRITT: Sir?

15 CHAIRMAN MATHEWSON: Yes.

16 COMMISSIONER MERRITT: I would just like
17 to make a comment to the fact we did receive some
18 eleventh-hour rebuttal from some of the participants,
19 and we have studied those. We have read those.
20 Those have been evaluated, and we have that as part
21 of our consideration, that we did get that
22 information.

23 CHAIRMAN MATHEWSON: Thank you. Thank you
24 very much, Commissioner.

25 As anything has come in to us, I mean,

1 again, follow up on what you just said, Jack, even
2 press releases, whatever, why LeAnn and staff has
3 provided those as quickly as they could to us over
4 this whole last several months that we've been
5 through this process. Thanks for making that
6 comment.

7 Other commissioners?

8 COMMISSIONER HATCHES: Mr. Chair, I just
9 wanted to comment about the process. Being one of
10 the new members on the Commission, I come into this
11 process of having to make a decision like this
12 certainly without the kind of support that we'd get
13 from an information standpoint from the staff,
14 would've made this a much more difficult job to do.

15 I certainly also want to say thank you to
16 you for establishing a process by which we would work
17 through to get to where we are today, understanding
18 that one of the priorities here on the list that you
19 just mentioned, one of the priorities was looking to
20 see what would be in the best interest of the state,
21 absolutely, but, again, without all of the
22 information that has been given to us by staff and
23 other members, this difficult job would've been made
24 even probably more next to impossible to have done,
25 so I just want to make sure that, certainly,

1 commissioners and others understand the importance of
2 this process that we've gone through.

3 And one of the things that have meant the
4 most -- the most to me is the input that we got from
5 the communities that we've gone through, and on both
6 sides of that, for and against.

7 But to hear the concerns that the people
8 have certainly weighs real heavy in any decision that
9 I -- I make, that coupled with the information that
10 we were given.

11 And then, finally, the opportunity to
12 have an independent vote on this commission means,
13 probably, the most to me. The way I vote has nothing
14 at all to do with the way any other commissioner
15 votes or any other concerns that I hear. I'm making
16 my own independent decision, and for me that means
17 absolutely everything, so I appreciate the
18 process.

19 CHAIRMAN MATHEWSON: Thank you,
20 sir.

21 COMMISSIONER JONES: Mr. Chairman, I just
22 want to thank -- echo some of your sentiments as
23 well, thanking the staff. This has been a tedious
24 journey. Having served the longest on the
25 Commission, I'm not sure what the other commissioners

1 prior to this, this present commission -- would be
2 the last gaming license -- but this has been a hope,
3 and we've all had a lot of data to think about, to
4 decide upon this thirteenth license, and I'd just
5 like to thank, again, Roger and staff for providing
6 this information and given us, you know, the
7 opportunity to make this -- this heavy decision.
8 This is going to be very challenging today and,
9 again, concur with the rest of the commissioners
10 here.

11 COMMISSIONER SHULL: I would also like to
12 thank the Chairman for his effort and for making this
13 a very transparent project, that the information that
14 we have been given, that has been derived, has been
15 excellent, and that it's been open to the public,
16 and I just want to thank you for that
17 process.

18 CHAIRMAN MATHEWSON: Thank you.

19 Any other comments, questions, or
20 concerns by members of the Commission?

21 (No response.)

22 CHAIRMAN MATHEWSON: I guess not.

23 You have before you four resolutions
24 clearly defined as the Casino Celebration license in
25 the City of St. Louis, the Cape Girardeau license in

1 Cape Girardeau, the Paragon Gaming license for Sugar
2 Creek, and the make-all-three-mad-and-go-home license
3 -- resolution. That's what's before us. Chair would
4 accept a motion.

5 COMMISSIONER MERRITT: Mr. Chair, I would
6 yield to the senior members of the Commission. If
7 they would choose to grant a motion first, that would
8 be fine.

9 CHAIRMAN MATHEWSON: Senior members?

10 Is that in age or --

11 I'm glad he clarified that. He qualified
12 the senior. Hell, I'm right here.

13 Do either one of you want to make a
14 motion or do you want to pass it off to the
15 commissioner from --

16 COMMISSIONER JONES: Well, Mr. Chairman,
17 based on all the information that we received and had
18 to absorb, I'd like to make a motion to recommend
19 Resolution No. 13, the Isle of Capri, Cape Girardeau,
20 for the next phase of the journey.

21 COMMISSIONER MERRITT: I believe that's
22 Resolution 10-123, 10-123, and I would second that
23 motion.

24 CHAIRMAN MATHEWSON: Okay. We have a
25 motion and a second for IOC Cape Girardeau, L.L.C.,

1 in Cape Girardeau. With a motion and a second, is
2 there any discussion?

3 (No response.)

4 CHAIRMAN MATHEWSON: Being none, Angie,
5 call the roll, please.

6 MS. FRANKS: Commissioner Merritt.

7 COMMISSIONER MERRITT: Approved.

8 MS. FRANKS: Commissioner Hatches.

9 COMMISSIONER HATCHES: Approved.

10 MS. FRANKS: Commissioner Jones.

11 COMMISSIONER JONES: Approved.

12 MS. FRANKS: Commissioner Shull.

13 COMMISSIONER SHULL: Approved.

14 MS. FRANKS: Chairman Mathewson.

15 CHAIRMAN MATHEWSON: Approved.

16 MS. FRANKS: By your vote you've adopted
17 Resolution No. 10-123.

18 CHAIRMAN MATHEWSON: Again -- again, thank
19 you all very, very much. Thank all of you
20 communities. You did an excellent job in your
21 presentations. I was impressed by all of you.

22 I judged a baby contest early one time in
23 my political career. There was 22 babies. I picked
24 one. I just managed to ruin my voting for me forever
25 with 21 other families but, see, it's different today

1 because I'm not running for anything, but I do
2 compliment the other two licensees and thank you very
3 much for your efforts and your presentations.

4 We have now adopted the resolution to
5 move forward on the Cape Girardeau construction
6 license.

7 With that, that will conclude what we're
8 doing right now. What I'd like to do is for the
9 press -- if the other commissioners want to join me,
10 I'm going to go right there (indicated) and take your
11 questions for about five minutes, and then we have a
12 whole stack of other things we have to accomplish
13 today, so we'll take a short recess and then we'll
14 come back for the other.

15 (A recess was taken.)

16 CHAIRMAN MATHEWSON: Okay. We're back in
17 our session.

18 We're good to go, aren't we, Angie?

19 MS. FRANKS: Yes.

20 CHAIRMAN MATHEWSON: Okay. The next thing
21 on our agenda is the consideration of minutes. We'll
22 start with September the 27th minutes. Can we
23 package 27, 28, 29, and 29?

24 DIRECTOR STOTTLEMYRE: Sure.

25 MS. FRANKS: Sure.

1 COMMISSIONER SHULL: So approved.

2 COMMISSIONER HATCHES: Second.

3 CHAIRMAN MATHEWSON: Okay. I have a
4 motion and a second to approve the minutes from the
5 meetings of September 27, 2010; September 28, 2010;
6 September 29, 2010; and September 29, 2010.

7 Any discussion?

8 (No response.)

9 CHAIRMAN MATHEWSON: Call roll, Angie,
10 please.

11 MS. FRANKS: Commissioner Merritt.

12 COMMISSIONER MERRITT: Approved.

13 MS. FRANKS: Commissioner Hatches.

14 COMMISSIONER HATCHES: Approved.

15 MS. FRANKS: Commissioner Jones.

16 COMMISSIONER JONES: Approved.

17 MS. FRANKS: Commissioner Shull.

18 COMMISSIONER SHULL: Approved.

19 MS. FRANKS: Chairman Mathewson.

20 CHAIRMAN MATHEWSON: Approved.

21 MS. FRANKS: By your vote you've adopted
22 the minutes of September 27, 2010; September 28,
23 2010; September 29, 2010, and then another September
24 29, 2010.

25 CHAIRMAN MATHEWSON: Thank you.

1 Next we have the minutes from the -- we
2 probably want to do the -- well, we can do the 19th
3 and 20th. We can put those together, can't we?

4 MS. FRANKS: Sure.

5 CHAIRMAN MATHEWSON: Okay. Let's take a
6 motion, please, for October 19, 2010, and October 20,
7 2010.

8 COMMISSIONER SHULL: So moved.

9 COMMISSIONER JONES: Second.

10 CHAIRMAN MATHEWSON: Any discussion?

11 (No response.)

12 CHAIRMAN MATHEWSON: Call roll, Angie,
13 please.

14 MS. FRANKS: Commissioner Merritt.

15 COMMISSIONER MERRITT: Approved.

16 MS. FRANKS: Commissioner Hatches.

17 COMMISSIONER HATCHES: Approved.

18 MS. FRANKS: Commissioner Jones.

19 COMMISSIONER: Approved.

20 MS. FRANKS: Commissioner Shull.

21 COMMISSIONER SHULL: Approved.

22 MS. FRANKS: Chairman Mathewson.

23 CHAIRMAN MATHEWSON: Approved.

24 MS. FRANKS: By your vote you've adopted
25 the minutes of the October 19, 2010, and October 20,

1 2010 minutes.

2 CHAIRMAN MATHEWSON: Roger.

3 DIRECTOR STOTTLEMYRE: Mr. Chairman, Item
4 IV on the agenda is consideration of hearing officer
5 recommendations, and Stephen Stark will present.

6 CHAIRMAN MATHEWSON: Okay. Morning,
7 Steve. Proceed, sir.

8 MR. STARK: Good morning Commissioners.

9 THE COMMISSIONERS: Good morning.

10 MR. STARK: First on your agenda is Letter
11 H, American Legion Post 297. This is the American
12 Legion Hall in Union, Missouri. This is a bingo
13 license case, and bingo discipline cases have a
14 different procedure in that first, the Commission
15 must file a petition with the Administrative Hearing
16 Commission in order to obtain a finding that the
17 facts and the evidence exist to support a cause for
18 discipline.

19 In this case the Commission alleged that
20 the American Legion possessed on its premises where
21 it conducts its charitable bingo two video gambling
22 devices. These gambling devices allowed players to
23 wager credits purchased in a game of chance. That
24 game of chance was something that was not within the
25 player's control, and the player would have hopes of

1 receiving something of value in return.

2 In this particular situation, the players
3 would exchange their winning number of credits for
4 cash money, therefore these video devices fit the
5 definition of gambling.

6 Furthermore, American Legion maintained
7 the records of the gambling activities in order to
8 share profits with the owners of the video devices.
9 Now, as part of the Administrative Hearing Commission
10 case, the American Legion did enter into a consent
11 agreement waiving a formal hearing of the facts and
12 then permitted the Administrative Hearing Commission
13 to enter its own order stating that the American
14 Legion is, indeed, subject to discipline based upon
15 the agreed-upon facts.

16 So what American Legion contended to were
17 three violations of law: One, possession of a gaming
18 device; second, promoting gambling by profiting from
19 unlawful gambling activity; third, possession of
20 gambling records.

21 Now, the second phase of this matter is a
22 disciplinary hearing to determine what, if any,
23 discipline might be appropriate based on the facts as
24 found as agreed upon at the Administrative Hearing
25 Commission.

1 At the disciplinary hearing the evidence
2 did show that the Commission had provided written
3 warnings to all bingo licensees about having gambling
4 devices upon their premises. Now, starting in
5 September 2001, the Commission mailed to all bingo
6 licensees, including American Legion here, a letter
7 stating that the Commission will take action to
8 revoke a bingo license of any organization that is
9 found to have illegal gambling devices on its
10 premises. No exceptions will be made to this policy.

11 This continuing warning occurred each and
12 every time a bingo license was renewed. The
13 Commission mailed a sheet of paper with each license
14 renewal. The paper was labeled "Illegal Gambling
15 Devices" and, in particular, it stated that if any
16 illegal gambling devices are ever found anywhere on
17 the premises of any bingo licensee, the
18 organization's bingo license will be revoked.

19 At the disciplinary hearing a
20 representative of the American Legion admitted that
21 the organization's bingo license is indeed subject to
22 discipline, but he asked something other than
23 revocation occur.

24 The reason given, the organization and
25 its members were very cooperative with the State's

1 investigation. The organization has a charitable
2 purpose, and it is the proceeds from bingo and the
3 concession stands during the bingo that provide the
4 funds for its charitable activities, such as college
5 scholarships and financial support to military
6 veterans. And the organization does provide in a
7 small town a worthwhile social activity not otherwise
8 available.

9 Also this representative from the
10 American Legion testified that he was aware of
11 another bingo licensee that did not have its license
12 revoked but rather suspended and placed on
13 probation. He offered no specifics as to who that
14 licensee was or the timing of that particular
15 discipline of probation.

16 An official from the Gaming Commission,
17 however, testified that since 2001 revocation has
18 been the discipline for cases like this.

19 As for my conclusions, allow me to read
20 from my written recommendations that I have provided
21 to you. The acts of promoting illegal gambling,
22 possessing gamble records and having illegal gambling
23 devices on the premises of a bingo licensee
24 discredits charitable bingo operations. State law
25 demands strict regulation of charitable bingo

1 operations. State law gives much discretion to you,
2 the commissioners, to impose discipline.

3 The severity of the violations committed
4 by American Legion and the specific and repeated
5 warnings from the Commission that revocation of the
6 license would occur, without exception, for
7 possessing gambling devices makes the discipline of
8 revocation reasonable.

9 While the results of a license revocation
10 will likely adversely impact the recipients of
11 American Legion's charitable works, balancing that
12 impact with the need to obey gambling laws favors
13 strict compliance with the law.

14 Adequate warning occurred, and the
15 consequences of revocation without exception were
16 known. My recommendation of discipline is revocation
17 of the bingo license of American Legion.

18 CHAIRMAN MATHEWSON: Steve, let me ask a
19 question and then I'll ask the other commissioners if
20 they have one. Sir, we don't do very many bingo
21 revocations before us. You know, we don't have those
22 very often.

23 If we approve this revocation, is that an
24 infinite item or can they come back?

25 MR. STARK: Actually, I don't know. I

1 don't think it's permanent. I guess there's a
2 process, maybe a process, a time frame for that.

3 CHAIRMAN MATHEWSON: Somebody going to
4 tell us?

5 DIRECTOR STOTTLEMYRE: Yes.

6 CHAIRMAN MATHEWSON: Okay. Thank you.

7 MS. FARR: Rachel Farr, Charitable Games
8 Manager. They -- in previous instances we have not
9 had anyone get their license back. It is an in--

10 CHAIRMAN MATHEWSON: Have they applied?

11 MS. FARR: We have not had anyone apply.
12 It's a revocation of their license.

13 CHAIRMAN MATHEWSON: So in this case, if
14 this is approved, then the license that they're
15 presently holding -- and I'm sorry. I've forgotten.
16 How long is a bingo license? Is it annual?

17 MS. FARR: It's an annual license.

18 CHAIRMAN MATHEWSON: Okay. So the license
19 they're presently holding would be revoked. Then
20 could I assume, then, that if they applied after this
21 year is over, whatever their year was on their
22 license, that that just -- we'd have to deal with
23 that if they did, right, since it hadn't been done
24 before?

25 MS. FARR: Correct. We would have -- we

1 would take into consideration the fact that they had
2 had gambling devices previously but, yes, we would
3 look at their application again.

4 CHAIRMAN MATHEWSON: Okay. Any questions?

5 COMMISSIONER HATCHES: Yeah. Maybe staff
6 or counsel -- I'd like to hear your response to that.

7 MR. BRADLEY: The revocation is of the
8 current license.

9 CHAIRMAN MATHEWSON: That's why I asked
10 that.

11 MR. BRADLEY: I mean, they have this
12 annual license, and so the revocation is of their
13 current license.

14 If they were to reapply, they would, of
15 course, have to prove their suitability like
16 everybody else does in the gaming area, so it could
17 be up to the Commission's discretion if they were to
18 reapply at some point down the road.

19 So the answer is: Not permanent, but it
20 could be permanent depending on how the future
21 commissions look at it.

22 COMMISSIONER HATCHES: So if their
23 license, for example, was on a calendar year and that
24 license was revoked in November, they could come back
25 in January and reapply for that?

1 MR. BRADLEY: Yes.

2 COMMISSIONER HATCHES: Thank you.

3 CHAIRMAN MATHEWSON: Any other questions
4 of Steve?

5 (No response.)

6 CHAIRMAN MATHEWSON: Is there anyone here
7 that would like to speak on this from that American
8 Legion hall or that community?

9 (No response.)

10 CHAIRMAN MATHEWSON: Okay. Then Chair
11 would accept the motion on the recommendation of
12 Steve on the revocation.

13 COMMISSIONER HATCHES: So moved.

14 COMMISSIONER JONES: Pardon me,
15 Mr. Chairman, one thought, and I apologize. Will
16 they be notified that they can reapply, you know, in
17 the same correspondence, you know, that the
18 revocation is going to take place?

19 DIRECTOR STOTTLEMYRE: It has not been
20 done previously. They're not told that they can't
21 reapply, but they are also not told that they could.

22 MR. BRADLEY: Just another point: They
23 also have the right to appeal this decision, and the
24 appeal in bingo -- as Steve has pointed out, the
25 appeal in bingo is different than the riverboat

1 gaming.

2 The appeal would be the same as any other
3 administrative action, and that appeal would be to
4 circuit court, so they have the right to file an
5 appeal with circuit court, and until that appeal is
6 done, they'll still be able to conduct -- until --
7 they have thirty days.

8 Until the thirty days expires, this
9 really isn't a final judgment, so they do have the
10 right to appeal to circuit court. And the reason I
11 bring up riverboat gaming -- it is confusing -- the
12 specific statutes provide that in the riverboat
13 gaming area your decisions go straight to the
14 Missouri Court of Appeals, Western District, but this
15 is the anomaly to that. This goes to circuit court.

16 CHAIRMAN MATHEWSON: Yeah.

17 COMMISSIONER HATCHES: Question, Mike,
18 just on what you said, the 30-day window. They have
19 thirty days after this?

20 MR. BRADLEY: After this --

21 COMMISSIONER HATCHES: To appeal?

22 MR. BRADLEY: -- to appeal to circuit
23 court. It's the same as any other administrative
24 action. I mean, your riverboat's the only one that I
25 know of that's different.

1 COMMISSIONER MERRITT: Mr. Chairman?

2 CHAIRMAN MATHEWSON: Yes, sir.

3 COMMISSIONER MERRITT: If, in fact, they
4 wait this 30 days to do their appeal and everything
5 and they have 30 days to continue their operation
6 after that time, if their license would expire and be
7 renewed, a new license January 1, then they're not
8 being disciplined any at all, so I think there needs
9 to be some consideration on the length of time. Do
10 we have any idea --

11 MR. BRADLEY: We would not issue a new
12 license under those circumstances.

13 COMMISSIONER MERRITT: I beg your pardon?

14 MR. BRADLEY: We wouldn't issue a new
15 license January 1 if they just, you know, waited to
16 appeal. Now, what can happen is if they appeal, the
17 judge could issue a stay order. It's within the
18 judge's discretion to issue a stay order to allow
19 them to continue to function as a licensee while the
20 appeal is pending. That's judicial discretion. The
21 judge can either do it or not do it. It's up to the
22 local court.

23 COMMISSIONER MERRITT: My point on this
24 is, we need to know that there is some time frame
25 that there would be some discipline.

1 MR. BRADLEY: We haven't done it in the
2 past. What has happened in the past is that if
3 they're revoked, they're revoked and they don't get a
4 new license. If they were to apply for a new
5 license, we would deny them a new license.

6 They would have the opportunity to have a
7 hearing on their denial of the new license, but one
8 of the elements you look for when the licensee's
9 proving their suitability is whether they've been
10 revoked in any jurisdiction. We would use that as
11 the fact of why they wouldn't get a new license is
12 they've been revoked.

13 COMMISSIONER MERRITT: Okay.

14 MR. BRADLEY: Now, you know, if somewhere
15 down the road they come in and say, We have
16 completely new membership, the bad guys are gone and
17 we've cleaned up our act, and you or the future
18 commission decides to give them a license, that's
19 something to take into account, but they're not --

20 COMMISSIONER MERRITT: I mean, that'd be
21 fine. There is a little bit of a control from --

22 MR. BRADLEY: Right. Right.

23 COMMISSIONER MERRITT: Okay.

24 CHAIRMAN MATHEWSON: Any other questions
25 of Steve or comments?

1 (No response.)

2 CHAIRMAN MATHEWSON: Okay. Angie, call
3 roll, please.

4 COMMISSIONER SHULL: We have to --

5 CHAIRMAN MATHEWSON: I'm sorry. Chair
6 would accept the motion. I'm sorry. I was getting
7 ahead of myself.

8 COMMISSIONER HATCHES: So move.

9 COMMISSIONER MERRITT: Second.

10 CHAIRMAN MATHEWSON: We have a motion and
11 a second before us to accept the recommendation from
12 Steve for revocation.

13 Call roll, please.

14 MS. FRANKS: Commissioner Merritt.

15 COMMISSIONER MERRITT: Approved.

16 MS. FRANKS: Commissioner Hatches.

17 COMMISSIONER HATCHES: Approved.

18 MS. FRANKS: Commissioner Jones.

19 COMMISSIONER JONES: Approved.

20 MS. FRANKS: Commissioner Shull.

21 COMMISSIONER SHULL: Approved.

22 MS. FRANKS: Chairman Mathewson.

23 CHAIRMAN MATHEWSON: Approved.

24 MS. FRANKS: By your vote you've adopted
25 Resolution 10-001-B.

1 MR. STARK: Our next item, Item Letter I,
2 Gayle Ezell, the allegations raised in this case are
3 that Ms. Ezell, as a Level I licensee and as the
4 director of surveillance, failed to train
5 surveillance personnel on the function of a
6 particular computer. The computer system was known
7 as Health PC.

8 On January 11, 2010, eleven surveillance
9 cameras at Ameristar, St. Charles, of which eight
10 were required by regulation to be constantly
11 recording, failed to record between 4:09 p.m. on
12 January 10, 2010, to 5:55 a.m. on January 11, the
13 next day, for nearly 12 hours without recording.

14 The cameras were in the poker room.
15 During that time the surveillance personnel in the
16 surveillance room could see realtime activities
17 through the camera, but it was a recording system
18 that was not functioning during those 12 hours.

19 Again, regulation requires a recording,
20 and those recordings are supposed to be maintained
21 for at least 14 days. Now, the system called the
22 Health PC system is an alarm. It tells the
23 surveillance personnel that a problem with the
24 recording may be happening.

25 On that afternoon of January 10, the

1 Health PC system made an audible sound indicating an
2 alarm that a possible malfunction was occurring. The
3 supervisor on duty was Mr. John Granderson. What
4 Mr. Granderson did upon the alarm sound was to go
5 over to the Health PC monitor, looked it over, read
6 the information off the monitor which identified
7 camera numbers and locations. Then Mr. Granderson
8 reviewed other systems related to the identified
9 cameras and found what he thought was a system that
10 was functioning properly.

11 The alarm system sound stopped. The
12 lights were green and, again, Mr. Granderson believed
13 that all was functioning as normal. Then
14 Mr. Granderson went back to work in what he was doing
15 before the alarm sounded. He was dealing with an
16 employee evaluation at that time.

17 The correct procedure that Mr. Granderson
18 should have followed was: When the alarm goes off,
19 he needs to call technical support to be able to
20 diagnose the problem; he needed to inform his
21 supervisors, and he needed to record the alarm sound
22 in a written journal. He did not do that, and it was
23 12 hours later when it was discovered that those
24 cameras were not recording.

25 The Commission's investigation revealed

1 that Mr. Granderson stated that he did not understand
2 the Health PC system, and Mr. Granderson stated that
3 he had no training on how the Health PC alarm system
4 functioned; however, the licensee presented other
5 evidence with the testimony of several coworkers and
6 other supervisors that all employees were, indeed,
7 informed about the purpose of the Health PC system,
8 that it was merely an alarm system, and then they
9 were further trained on what to do when the alarm
10 sounded.

11 The casino does have a system of training
12 through written manuals, written tests, and one-on-
13 one supervision, and my conclusion was that
14 Mr. Granderson had gone through all that training.

15 The Health PC system is not really a
16 computer system for the surveillance personnel to use
17 in order to correct any problem. Again, it's merely
18 an alarm system that just makes a sound when a
19 potential problem exists.

20 The testimony of the other employees was
21 that it's the computer technicians who should do the
22 diagnostic work to correct the problems, not the
23 surveillance personnel. What the Health PC system
24 does is just to tell the surveillance personnel to
25 call for help. An actual understanding of the

1 operations of the Health PC is really reserved for
2 the technical support staff.

3 The bottom line is that Mr. Granderson
4 failed to follow procedures. He didn't call for
5 help. He didn't inform his supervisors. He did not
6 record in any written journal the sound of the alarm.

7 While it's true that he may not have had
8 particular training as to how the alarm system
9 functions or how to interact with that particular
10 alarm system, my conclusion was that the licensee, as
11 the supervisor, as the director of surveillance --
12 and she has a higher license so she does have more
13 responsibility -- but I could not find that there was
14 anything else that she should have done in training
15 Mr. Granderson or that she failed to do anything in
16 the training of Mr. Granderson.

17 My recommendation is that grounds do not
18 exist to discipline Ms. Ezell for a two-day
19 suspension as stated in the preliminary order. My
20 recommendation is to withdraw that preliminary order.

21 CHAIRMAN MATHEWSON: Any questions of
22 Steve on this one?

23 (No response.)

24 CHAIRMAN MATHEWSON: Chair would accept
25 the motion to accept the recommendation as Steve has

1 presented it.

2 COMMISSIONER SHULL: Move approval of
3 Resolution No. 10-124.

4 COMMISSIONER JONES: Second.

5 CHAIRMAN MATHEWSON: Any discussions?
6 (No response.)

7 CHAIRMAN MATHWSON: Call roll, Angie,
8 please.

9 MS. FRANKS: Commissioner Merritt.

10 COMMISSIONER MERRITT: Approved.

11 MS. FRANKS: Commissioner Hatches.

12 COMMISSIONER HATCHES: Approved.

13 MS. FRANKS: Commission Jones.

14 COMMISSIONER JONES: Approved.

15 MS. FRANKS: Commissioner Shull.

16 COMMISSIONER SHULL: Approved.

17 MS. FRANKS: Chairman Mathewson.

18 CHAIRMAN MATHEWSON: Approved.

19 MS. FRANKS: By your vote you've adopted
20 Resolution No. 10-124.

21 MR. STARK: The next item, next case, is
22 Letter J, Loreto Vuong. Ms. Vuong holds a Level II
23 occupational license. She's employed as a cage
24 cashier. She is authorized to have access to certain
25 sensitive keys. In this case the casino has a lock

1 system that stores its keys. It's called a King
2 Morris Watchman System, and it contains a box with a
3 swinging door that restricts access to the keys
4 behind the swinging door.

5 On the date of April 7, 2010, Ms. Vuong
6 placed a sensitive key into this lockbox and shut the
7 door without determining that the door was properly
8 latched. When she shut the door, the door did not
9 actually close, and therefore the finding is is that
10 the door was open and available for access by
11 unauthorized personnel.

12 Ms. Vuong, in her testimony, admitted
13 that the door had had problems in the past,
14 apparently the keys were so thick that it didn't
15 necessarily allow the door just to be slammed. It
16 actually had to be pushed.

17 There is a regulation that does mandate
18 that all licensees must exercise strict control over
19 storage, custody, and return of sensitive keys.
20 That's the regulation, and my finding based upon
21 Ms. Vuong's own testimony and the testimony of the
22 commissioners' agents is that a violation did occur,
23 and that Ms. Vuong was responsible for that
24 violation, and therefore the one-day suspension is
25 appropriate as discipline, and that would be my

1 recommendation.

2 CHAIRMAN MATHEWSON: Is she still employed
3 there, Steve? Do you know?

4 MR. STARK: Yes, at least at the time of
5 the hearing. Yes.

6 CHAIRMAN MATHEWSON: Okay. Any questions
7 of Steve?

8 (No response.)

9 CHAIRMAN MATHEWSON: Is Loreto Vuong here
10 to make a comment?

11 (No response.)

12 CHAIRMAN MATHEWSON: Okay. Chair would
13 accept the motion to adopt the order by Steve.

14 COMMISSIONER MERRITT: I make a motion
15 that Resolution No. 10.125 be approved.

16 COMMISSIONER JONES: Second.

17 CHAIRMAN MATHEWSON: Any discussion?

18 (No response.)

19 Call roll, Angie, please.

20 MS. FRANKS: Commissioner Merritt.

21 COMMISSIONER MERRITT: Approved.

22 MS. FRANKS: Commissioner Hatches.

23 CHAIRMAN HATCHES: Approved.

24 MS. FRANKS: Commissioner Jones.

25 COMMISSIONER JONES: Approved.

1 MS. FRANKS: Commissioner Shull.

2 COMMISSIONER SHULL: Approved.

3 MS. FRANKS: Chairman Mathewson.

4 CHAIRMAN MATHEWSON: Approved.

5 MS. FRANKS: By your vote you've adopted
6 Resolution No. 10-125.

7 MR. STARK: Our next case is Item K, David
8 Muchnick. Mr. Muchnick made an application for
9 employment in the gaming industry applying for a
10 Level II occupational license.

11 The application process requires a
12 complete disclosure of any past criminal involvement
13 including any arrests, detention, plea of guilty in
14 any type of past history. The application process is
15 very specific in this particular question about past
16 criminal involvement, and there is an interview
17 conducted by a gaming agent or gaming investigator,
18 and also written warnings are given to the applicant
19 that there is this duty to disclose any type of
20 arrest or convictions.

21 In fact, there are examples given as to
22 what needs to be disclosed, and one of those examples
23 is that an applicant pleads guilty to a crime,
24 receives a suspended imposition of sentence and is
25 placed on probation.

1 Mr. Muchnick responded to the application
2 that there was no past criminal history whatsoever.
3 The Commission's investigation, however, revealed
4 that there was a plea of guilty to the offense
5 charged of stealing over \$50, a felony.

6 Mr. Muchnick had received a suspended
7 imposition of sentence and was placed on probation
8 for a period of two years. This particular plea of
9 guilty occurred on July 25, 1975. The statute
10 provides that a license shall not be granted if the
11 applicant has pled guilty to or been convicted of a
12 felony.

13 In this case in 1975, Mr. Muchnick did
14 indeed plead guilty to a felony. His testimony, and
15 I found it credible, that he was told by his lawyer
16 to plead guilty, that there would be no conviction,
17 case would be dismissed and erased from his record --

18 CHAIRMAN MATHEWSON: Yeah. Yeah. I
19 remember.

20 MR. STARK: -- so Mr. Muchnick basically
21 testified he didn't realize that he had a record of a
22 felony, but the records clearly show a felony based
23 on a guilty plea even though it may have been erased
24 from his record later on.

25 Based on that and the mandate of the

1 statute, my conclusion is that his application should
2 be denied for having pled guilty over 35 years ago.

3 CHAIRMAN MATHEWSON: Any questions of
4 Steve on Mr. Muchnick?

5 (No response.)

6 CHAIRMAN MATHEWSON: Is David here? David
7 Muchnick here?

8 (No response.)

9 CHAIRMAN MATHEWSON: No? Okay.

10 For you two newer members, this is not
11 uncommon. That suspended imposition of sentence deal
12 is still hanging out there. I mean, it's just almost
13 a standard procedure that attorneys tell them that,
14 and there is some case law that you can question but,
15 you know -- on whether or not a person actually on a
16 suspended imposition of sentence on a license -- I
17 know we had a situation on a board that I sat on in a
18 nursing home, and we called down to the nursing board
19 and they said, Oops, you know, because they denied a
20 license --

21 MR. BRADLEY: Yeah.

22 CHAIRMAN MATHEWSON: -- on a suspended
23 imposition of sentence. They went ahead and approved
24 the license. So, you know, I -- these always bother
25 me, to be honest with you, and I know they do you,

1 Steve, because you've talked about it before, but --

2 MR. STARK: Yeah.

3 CHAIRMAN MATHEWSON: -- what is what is,
4 you know, I guess, until we get a -- something proves
5 otherwise we kind of have to go along with it.

6 MR. BRADLEY: Well, and the position --
7 and I hate saying this to you because you're a former
8 state senator, but the issue goes back to the General
9 Assembly when the --

10 CHAIRMAN MATHEWSON: Yeah, well, we were a
11 lot.

12 MR. BRADLEY: Yeah. I mean, suspended
13 imposition of sentence by law is not a conviction --

14 CHAIRMAN MATHEWSON: I know it isn't.

15 MR. BRADLEY: -- but that's why the
16 language is put into the statute to cover a plea of
17 guilty, because before you get a suspended imposition
18 of sentence you've actually pled guilty.

19 CHAIRMAN MATHEWSON: Yeah, you've pled.

20 MR. BRADLEY: So by putting the language
21 "he has pled guilty to or been convicted of" covers
22 both a suspended imposition of sentence and a
23 straight conviction so --

24 COMMISSIONER MERRITT: I don't guess it
25 would be within our authority to recommend that the

1 attorneys that do this go back to law school and take
2 that class over again?

3 CHAIRMAN MATHEWSON: I tell you what they
4 would recommend, Jack. They would recommend the
5 legislature do that, and some of us didn't have that
6 opportunity, don't you know.

7 COMMISSIONER HATCHES: Question,
8 Mr. Chairman.

9 CHAIRMAN MATHEWSON: Yes.

10 COMMISSIONER HATCHES: It may be a side
11 bar. How do we treat expungements in the application
12 process?

13 MR. BRADLEY: It is my legal opinion --
14 and I'm not sure if we've had any cases. It's my
15 opinion that expungements do not eliminate the
16 pleading guilty to. I mean, the language the
17 legislature put in is "pleading guilty to." The
18 expungement takes away the criminal record but does
19 not take away the fact that you pled guilty to the
20 crime.

21 And, you know, so that's -- and quite
22 frankly, under Missouri law, an expungement would not
23 be proper if you had plead guilty to a felony. The
24 Missouri law on expungements -- again, it's the
25 General Assembly -- they have taken away the

1 discretion from the trial court to grant
2 expungements. They have to follow the law.

3 And expungements are only permitted if a
4 person was arrested and no charges were filed, so
5 it's really there just to get the person who was
6 innocently arrested. They're also not permitted, if
7 somebody has another conviction -- then they're not
8 permitted if somebody has, obviously, pled guilty to
9 the charge for which they're trying to get an
10 expungement, so the expungement really just goes to
11 the arrest.

12 So if you had somebody that pled guilty
13 to a felony, under Missouri law they do not --
14 they're not entitled to it and, quite frankly, the
15 highway patrol gets -- the superintendent of the
16 patrol gets named in lawsuits on a weekly basis on
17 expungements, and the Attorney General's office
18 handles those statewide, and a great percentage of
19 them are denied because they don't fit within the
20 statutory elements.

21 COMMISSIONER HATCHES: Thank you.

22 CHAIRMAN MATHEWSON: You know, it's
23 interesting. Last night we were having dinner, and I
24 was surrounded by former highway patrolmen. I
25 believe that we ought to have expungement in certain

1 circumstances, okay? My highway patrol friends all
2 disagree with me, including that one back there in
3 uniform. They said, No. No. No.

4 Go ahead, Roger. I'm sorry.

5 DIRECTOR STOTTLEMYRE: One thing I think
6 is important to remember is that these people are
7 all advised that even if they have received a
8 suspended imposition of sentence, they still need to
9 put on their application that they have a conviction
10 or that they have pled guilty to, even if it was
11 suspended, so they have -- they're warned more than
12 once about this during the application process to be
13 sure and enter on there -- at least put it on there.

14 COMMISSIONER HATCHES: Yeah, but that's
15 the same --

16 CHAIRMAN MATHEWSON: Well, that's right.
17 That's what I was just going to say, Barrett. Same
18 thing. I mean, so they're not going to be hired
19 because they put that on there, right, I mean, so
20 they still lose.

21 COMMISSIONER HATCHES: Not going to be
22 penalized twice.

23 CHAIRMAN MATHEWSON: Yeah. There you go.

24 COMMISSIONER HATCHES: At least they told
25 the truth.

1 CHAIRMAN MATHEWSON: Okay. We have before
2 us the recommendation on the issue.

3 COMMISSIONER SHULL: Move approval of the
4 Resolution 10-126.

5 COMMISSIONER HATCHES: Second.

6 CHAIRMAN MATHEWSON: Any discussion?

7 (No response.)

8 CHAIRMAN MATHEWSON: Call roll, Angie,
9 please.

10 MS. FRANKS: Commissioner Merritt.

11 COMMISSIONER MERRITT: Approved.

12 MS. FRANKS: Commissioner Hatches.

13 COMMISSIONER HATCHES: Approved.

14 MS. FRANKS: Commissioner Jones.

15 COMMISSIONER JONES: Approved.

16 MS. FRANKS: Commissioner Shull.

17 COMMISSIONER SHULL: Approved.

18 MS. FRANKS: Chairman Mathewson.

19 CHAIRMAN MATHEWSON: Approved.

20 MS. FRANKS: By your vote you've adopted
21 Resolution No. 10-126.

22 MR. STARK: Our next case, Letter L, Brian
23 Black: Mr. Black made application for a Level II
24 occupational license. One of the questions on that
25 application is, Have you ever been arrested,

1 detained, charged, convicted, pled guilty to any
2 crime or offense? And Mr. Black did respond "yes."
3 He did disclose that he had been charged for battery,
4 aggravated assault, and mislaid property, all of
5 which, those three items, he identified as being
6 dismissed.

7 Again, as part of the application
8 process, there is disclosure that there is this
9 requirement that anything dealing with an arrest
10 needs to be disclosed. In fact, the disclosure form
11 identifies several examples, one of which says that
12 you need to disclose if the applicant has been
13 handcuffed by police, taken to the police station,
14 fingerprinted, held for questioning, but later
15 released without any charges being filed. That type
16 of activity needs to be reported to the Commission in
17 the application process.

18 The commissioners' investigation revealed
19 that Mr. Black has been arrested on June 6, 2001, by
20 the East St. Louis police. That failure to make a
21 disclosure would give the Commission the discretion
22 to refuse the occupational license.

23 What Mr. Black testified to was that he
24 did admit to having been taken to the police station,
25 having been handcuffed, having been fingerprinted,

1 but his concern was that everybody in the
2 neighborhood had been taken down to the police
3 station because there was a murder case that
4 everybody was being blamed for, apparently, and as
5 such he didn't feel that he was truly arrested when
6 everybody in the neighborhood had to go down to the
7 police station.

8 Well, the record does show that there was
9 an arrest. He was fingerprinted, handcuffed, all
10 those items that are listed in the application as
11 being required to be disclosed, so having that
12 finding does give the commissioners discretion to
13 deny his application, and that would be my
14 recommendation for his failure to disclose that
15 particular item.

16 CHAIRMAN MATHEWSON: Any questions of
17 Steve on Brian Black?

18 (No response.)

19 CHAIRMAN MATHEWSON: Is Mr. Black here?

20 (No response.)

21 COMMISSIONER MERRITT: I guess East
22 St. Louis kind of deals with that philosophy that,
23 you know, just kill them all and let God sort it out.

24 CHAIRMAN MATHEWSON: I think you're right,
25 Jack. At least they used to. I don't know if

1 there's anybody still over there anymore. I thought
2 they just almost wiped that whole area out. They
3 went into bankruptcy on a lawsuit, as I remember.
4 Hell, it'll bankrupt the whole city.

5 Okay. Chair would accept the motion on
6 the recommendation of Steve on Brain Black.

7 COMMISSIONER JONES: Move for the
8 acceptance of Resolution of No. 10-127.

9 COMMISSIONER MERRITT: Second.

10 CHAIRMAN MATHEWSON: Any discussion?

11 (No response.)

12 CHAIRMAN MATHEWSON: Call roll, Angie,
13 please.

14 MS. FRANKS: Commissioner Merritt.

15 COMMISSIONER MERRITT: Approved.

16 MS. FRANKS: Commissioner Hatches.

17 COMMISSIONER HATCHES: Approved.

18 MS. FRANKS: Commissioner Jones.

19 COMMISSIONER JONES: Approved.

20 MS. FRANKS: Commissioner Shull.

21 COMMISSIONER SHULL: Approved.

22 MS. FRANKS: Chairman Mathewson.

23 CHAIRMAN MATHEWSON: Approved.

24 MS. FRANKS: By your vote you've adopted
25 Resolution No. 10-127.

1 MR. STARK: Our next case is Item Letter
2 M, Scott Guerra. Mr. Guerra made application for a
3 Level II occupational license. Again, the
4 application requires a disclosure of any arrest,
5 being detained, charged, or convicted of any crime.

6 The process does give adequate warning
7 and disclosure that this information is very much a
8 part of the application process, and any failure to
9 properly disclose past criminal acts will result in a
10 denial of the license application.

11 Mr. Guerra responded "no" to the
12 application question about past crime, and the
13 Commission's investigation did reveal that Mr. Guerra
14 had been arrested and convicted for petty theft in
15 Santa Ana, California, in 1989.

16 At the hearing Mr. Guerra admitted that
17 he did not remember the arrest from 1989. He just
18 merely had forgotten about it at the time of the
19 application. With that failure to disclose and the
20 adequate warnings given to Mr. Guerra, my
21 recommendation is that the Commission deny the
22 application of a gaming license to Mr. Guerra.

23 CHAIRMAN MATHEWSON: Any questions of
24 Steve on Mr. Guerra?

25 (No response.)

1 CHAIRMAN MATHEWSON: Is Mr. Guerra here,
2 by chance?

3 (No response.)

4 CHAIRMAN MATHEWSON: No? Okay.

5 Chair would accept the motion to accept
6 the recommendation.

7 COMMISSIONER HATCHES: Move for Resolution
8 No. 10-128.

9 COMMISSIONER SHULL: Second.

10 CHAIRMAN MATHEWSON: Any discussion?

11 (No response.)

12 CHAIRMAN MATHEWSON: Call roll, Angie,
13 please.

14 MS. FRANKS: Commissioner Merritt.

15 COMMISSIONER MERRITT: Approved.

16 MS. FRANKS: Commissioner Hatches.

17 COMMISSIONER HATCHES: Approved.

18 MS. FRANKS: Commissioner Jones.

19 COMMISSIONER JONES: Approved.

20 MS. FRANKS: Commissioner Shull.

21 COMMISSIONER SHULL: Approved.

22 MS. FRANKS: Chairman Mathewson.

23 CHAIRMAN MATHEWSON: Approved.

24 MS. FRANKS: By your vote you've adopted
25 Resolution No. 10-128.

1 CHAIRMAN MATHEWSON: Thanks, Steve.

2 MR. STARK: That concludes my
3 presentation.

4 CHAIRMAN MATHEWSON: Thank you, sir.
5 Roger, Roger.

6 DIRECTOR STOTTLEMYRE: Mr. Chairman,
7 Item V on the agenda is consideration of
8 reorganization and licensure of certain key business
9 entities, and Clarence Greeno will present.

10 MR. GREENO: Mr. Chairman, Commissioners,
11 behind Tab N is Resolution 10-129 regarding the
12 reorganization and licensure of Isle of Capri
13 Casinos, Incorporated, key business entities.

14 B.I.J.R.R. Isle, Inc., B.I. Isle
15 Partnership, LP, and Goldstein Group, Inc., are each
16 key business entities of Isle of Capri Casinos,
17 Incorporated. These entities are constituted of
18 trusts of the Goldstein family, all of which are
19 managed by Richard A. Goldstein, Jeffrey D.
20 Goldstein, and Robert S. Goldstein.

21 Each of the entities was licensed by the
22 Missouri Gaming Commission as a key business entity,
23 and each of the Goldstein brothers is licensed as a
24 key person, not only of Isle of Capri Casinos,
25 Incorporated, but of the key business entities as

1 well.

2 The Goldstein family wishes to reorganize
3 the family trust into one entity known as GFIL
4 Holdings, L.L.C, jointly controlled by Richard A.
5 Goldstein, Jeffrey D. Goldstein, and Robert S.
6 Goldstein. The existing key business entities will
7 cease to hold or control any Isle of Capri Casinos,
8 Incorporated, shares.

9 Before you today is a recommendation for
10 licensure of GFIL Holdings, L.L.C., as the holder of
11 and controlling entity of the shares previously held
12 by the three licensed entities.

13 I'd be happy to answer any questions.

14 CHAIRMAN MATHEWSON: I have a smart
15 remark. I just noticed we're still recording. I
16 just thought it'd be a little irony after previous
17 action of this Commission, that we deny this.

18 COMMISSIONER SHULL: It appears that all
19 the individuals are presently licensed with us --

20 MR. GREENO: Yes, sir.

21 COMMISSIONER SHULL: -- and yet this is
22 reorganization?

23 MR. GREENO: Yes, sir. That's correct.

24 COMMISSIONER SHULL: I'd move for approval
25 for Resolution 10-129.

1 COMMISSIONER MERRITT: Second.

2 CHAIRMAN MATHEWSON: Any discussion?

3 (No response.)

4 CHAIRMAN MATHEWSON: Call roll, Angie,

5 please.

6 MS. FRANKS: Commissioner Merritt.

7 COMMISSIONER MERRITT: Approved.

8 MS. FRANKS: Commissioner Hatches.

9 COMMISSIONER HATCHES: Approved.

10 MS. FRANKS: Commissioner Jones.

11 COMMISSIONER JONES: Approved.

12 MS. FRANKS: Commissioner Shull.

13 COMMISSIONER SHULL: Approved.

14 MS. FRANKS: Chairman Mathewson.

15 CHAIRMAN MATHEWSON: Approved.

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

17 Resolution No. 10-129.

18 DIRECTOR STOTTLEMYRE: Mr. Chairman, Item

19 VI is consideration of change of control and finding

20 of suitability for licensure of certain Class A and B

21 licensees. Sergeant George Hamilton will present.

22 MR. HAMILTON: Good morning, Mr. Chairman,

23 Commissioners.

24 THE COMMISSIONERS: Good morning.

25 MR. HAMILTON: You will notice under Tab O

1 there are two resolutions: One for the company
2 Herbst Gaming, L.L.C., and the second for SPH
3 Investment, L.L.C, SPH Manager, L.L.C., and six key
4 persons associated with these companies.

5 On March 22, 2009, Herbst Gaming,
6 Incorporated, and it's subsidiaries, which include
7 HGI-St. Jo, doing business as Terrible's St. Jo
8 Frontier Casino and HGI-Mark Twain, doing business as
9 Terrible's Mark Twain Casino, filed for relief under
10 Chapter 11 of the United States Bankruptcy court for
11 the District of Nevada.

12 As part of these proceedings, Herbst
13 Gaming, Incorporated, will be dissolved, and Herbst
14 Gaming, L.L.C., will assume all assets and
15 liabilities.

16 On January 12, 2010, SPH Investment,
17 L.L.C., and SPH Manager, L.L.C., wholly-owned
18 subsidiaries of Silver Point Capital, L.P., and their
19 principals filed applications for licensure to the
20 Missouri Gaming Commission due to their beneficial
21 equity ownership of Herbst Gaming, L.L.C.

22 On June 17, 2010, Herbst Gaming, L.L.C.,
23 and their principals made application to the Missouri
24 Gaming Commission due to the change in control of
25 Herbst Gaming, Incorporated, a Class A licensee.

1 The key persons that submitted
2 applications are as follows: Edward A.
3 Mule, Co-Chief Executive Officer of Silver Point
4 Capital, L.P.; Robert J. O'Shea, Co-Chief Executive
5 Officer of Silver Point, Capital, L.P.; Don
6 R. Kornstein, Chairman of the Board of Directors for
7 Herbst Gaming, L.L.C.; Michael D. Rumbolz, Member of
8 the Board of Directors for Herbst Gaming, L.L.C.;
9 Scott D. Henry, Member of the Board of Directors for
10 Herbst Gaming, L.L.C.; and Thomas M. Benninger,
11 Member of the Board of Directors for Herbst Gaming,
12 L.L.C.

13 Missouri State Highway Patrol
14 investigators, along with the Missouri Gaming
15 Commission financial investigators, conducted
16 background investigations on these companies and
17 their associated key persons.

18 The investigation included, but was not
19 limited to, criminal, civil, financial, and general
20 character inquiries of the key persons through
21 international, federal, state, and local government
22 entities as well as a comprehensive financial
23 analysis of the company.

24 An investigative summary was submitted to
25 the Missouri Gaming Commission staff, and a copy of

1 that comprehensive summary has been provided for your
2 review.

3 I'd be happy to answer any questions you
4 have.

5 CHAIRMAN MATHEWSON: Sir, this is part of
6 the ongoing bankruptcy --

7 MR. HAMILTON: Correct.

8 CHAIRMAN MATHEWSON: -- bringing it out of
9 that, I guess?

10 MR. HAMILTON: Correct.

11 CHAIRMAN MATHEWSON: Okay. Any questions?

12 (No response.)

13 CHAIRMAN MATHEWSON: Chair would accept
14 the motion --

15 DIRECTOR STOTTLEMYRE: Mr, Chairman, if I
16 could --

17 CHAIRMAN MATHEWSON: Sir.

18 DIRECTOR STOTTLEMYRE: We have two
19 resolutions here. Resolution 10-130 approves the
20 change in control of Herbst Gaming, Incorporated, to
21 Herbst Gaming, L.L.C., and authorizes the issuance of
22 a Class A license to Herbst Gaming, L.L.C., and Class
23 B licenses to HGI-St. Jo, L.L.C., and HGI-Mark Twain,
24 L.L.C., upon receipt of documentation evidencing
25 consumation of the bankruptcy proceedings. That's

1 what the first resolution does.

2 The second resolution, 10-131, approves
3 the licensing of SPH Investment, L.L.C., and SPH
4 Manager, L.L.C., as key business entities of Herbst
5 Gaming, L.L.C., as well as the licensing of the key
6 persons associated with these three entities.

7 These resolutions can both be voted on at
8 the same time, if you wish to do it that way.

9 CHAIRMAN MATHEWSON: Roger, one of you, on
10 a reorganization plan like this, they're presently
11 operating under a license as Herbst; right?

12 DIRECTOR STOTTLEMYRE: Yes, sir.

13 CHAIRMAN MATHEWSON: If we were to adopt
14 these resolutions, do we, in essence, just carry
15 forth their existing license time frame-wise or do we
16 start over again by saying that, you know, this is
17 effective December 1 or whatever?

18 I mean, do we start -- do we give them a
19 brand-new license or are we just continuing the one
20 they have?

21 MR. GREENO: Sir, we are licensing a
22 brand-new parenting company, Herbst Gaming, L.L.C.,
23 so they will begin just like any other new parent
24 company, and each of the facilities will be licensed
25 for one year, and they will come back.

1 This resolution really approves the
2 change of control and authorizes the issuance of the
3 license upon the consumation of the bankruptcy, or
4 that is evidence of the consumation of the
5 bankruptcy.

6 When we receive that, then the license
7 will be issued to the Class A, the parent, and the
8 two Class B's, and this new entity will really begin
9 again and would be licensed -- each of the casinos
10 would be licensed for one year.

11 CHAIRMAN MATHEWSON: Okay. So until we
12 receive that conclusion on the bankruptcy, we don't
13 know when that's going to be, do we? I mean, I
14 assume it's in the bankruptcy court and --

15 MR. GREENO: Correct.

16 CHAIRMAN MATHEWSON: -- it's been going on
17 for quite a while now, so we should be getting close
18 to a conclusion, I would think.

19 MR. GREENO: The consumation of the
20 bankruptcy is contingent upon receiving approval from
21 the regulatory agencies involved, that being the Iowa
22 Racing and Gaming Commission, the Missouri Gaming
23 Commission, and Iowa Gaming Control Board, and they
24 have already received approval in the state of Iowa.
25 Of course, ours is before you today, and then the

1 state of Nevada takes place later in the month, I
2 believe on the 10th.

3 CHAIRMAN MATHEWSON: Okay.

4 MR. GREENO: After the bankruptcy court
5 receives the documentation of approval by the
6 regulatory agencies, the bankruptcy judge can then
7 authorize the consumation of the bankruptcy, and then
8 at that point when we get evidence of that
9 consumation, then we can issue a license.

10 CHAIRMAN MATHEWSON: We can start a brand-
11 new license.

12 MR. GREENO: Yes, sir.

13 MR. BRADLEY: Mr. Chairman, if I might,
14 one of the things that's important to remember in the
15 situations where we have bankruptcies is the license
16 is issued by the Missouri Gaming Commission. It is
17 not an asset of the bankruptcy estate, and we would
18 fight vehemently if a bankruptcy court ordered the
19 Commission to give a license to somebody that we
20 didn't believe was suitable, so it's important that
21 this is --

22 CHAIRMAN MATHEWSON: Good for you. I
23 would want that. I think we all would.

24 MR. BRADLEY: -- this is our license.
25 It's not the company's license.

1 CHAIRMAN MATHEWSON: Okay. Any other
2 discussion, Commissioners?

3 (No response.)

4 CHAIRMAN MATHEWSON: Chair would accept a
5 motion on both resolutions in one vote then.

6 COMMISSIONER HATCHES: Move to approve
7 Resolution 10-130 and Resolution 10-131.

8 COMMISSIONER JONES: Second.

9 CHAIRMAN MATHEWSON: Any discussion?

10 (No response.)

11 CHAIRMAN MATHEWSON: Call roll, Angie,
12 please.

13 MS. FRANKS: Commissioner Merritt.

14 COMMISSIONER MERRITT: Approved.

15 MS. FRANKS: Commissioner Hatches.

16 COMMISSIONER HATCHES: Approved.

17 MS. FRANKS: Commissioner Jones.

18 COMMISSIONER JONES: Approved.

19 MS. FRANKS: Commissioner Shull.

20 COMMISSIONER SHULL: Approved.

21 MS. FRANKS: Chairman Mathewson.

22 CHAIRMAN MATHEWSON: Approved.

23 MS. FRANKS: By your vote you've adopted
24 Resolution Nos. 10-130 and 10-131.

25 DIRECTOR STOTTLEMYRE: Mr. Chairman, the

1 next item on the agenda is consideration of change of
2 name of a Class A licensee, and Clarence Greeno will
3 present.

4 MR. GREENO: Mr. Chairman, Commissioners,
5 behind Tab P is Resolution 10-132 regarding a change
6 in the name of Class A Licensee, Harrah's
7 Entertainment, Inc. Harrah's Entertainment, Inc., a
8 Delaware corporation, holds a Missouri Gaming
9 Commission-issued Class A license as the parent
10 company of Class B licensees Harrah's Maryland
11 Heights, L.L.C., and Harrah's North Kansas City,
12 L.L.C.

13 Harrah's Entertainment, Inc., has
14 notified the Commission the name of the Class A
15 licensee has officially been changed to Ceasar's
16 Entertainment Corporation. This resolution
17 acknowledges the name change and authorizes a Class A
18 license be issued in the name of Ceaser's
19 Entertainment Corporation.

20 CHAIRMAN MATHEWSON: They withdrew that,
21 didn't they, Clarence?

22 MR. GREENO: No, they did not withdraw the
23 name change. They withdrew the IPO.

24 CHAIRMAN MATHEWSON: Okay. I knew they
25 withdrew that.

1 MR. GREENO: Yes, sir, but they have
2 changed their name.

3 CHAIRMAN MATHEWSON: Okay. Well, that's
4 not sitting right in my brain. I mean, they want
5 to -- we have before us the change in their name for
6 a relicensure under a new name, in essence?

7 MR. GREENO: Correct. This will authorize
8 us to issue a Class A license to the parent under its
9 new name.

10 CHAIRMAN MATHEWSON: I guess them issuing
11 a new IPO, to be honest with you, didn't fit right in
12 my brain either because the parent company owes
13 billions of dollars -- has millions of dollars of
14 assets, too, but -- and as I remember that IPO, fully
15 filled was only for about 500,000,000. Doesn't that
16 sound right to somebody else? I think that's right.

17 And I mean, I never did -- that didn't
18 ever make any sense to me. You understand what I'm
19 saying? Really, I'm off subject, and I apologize,
20 but when I read that, I thought, Well, why would you
21 do a new IPO for 500,000,000 when you owe
22 14,000,000,000, or whatever it was. You know, that
23 wouldn't even make a spec.

24 COMMISSIONER SHULL: Try 25.

25 CHAIRMAN MATHEWSON: Is it

1 25,000,000,000?

2 MR. GREENO: This really doesn't change
3 the equities or liabilities of the company itself.
4 It's just a matter of them changing the name of the
5 corporation.

6 CHAIRMAN MATHEWSON: Okay.

7 COMMISSIONER SHULL: The price was about
8 two-thirds of what they thought it was.

9 CHAIRMAN MATHEWSON: Well, there you go.
10 Okay. Probably rightfully so.

11 Okay. So any questions of Clarence on
12 this?

13 (No response.)

14 CHAIRMAN MATHEWSON: Okay. All right. I
15 got off subject.

16 Chair would accept the motion to adopt
17 the name change on two casinos in Missouri.

18 COMMISSIONER SHULL: Move for approval of
19 Commission Resolution No. 10-132.

20 COMMISSIONER JONES: Second.

21 CHAIRMAN MATHEWSON: Any discussion?

22 (No response.)

23 CHAIRMAN MATHEWSON: Call roll, Angie,
24 please.

25 MS. FRANKS: Commissioner Merritt.

1 COMMISSIONER MERRITT: Approved.

2 MS. FRANKS: Commissioner Hatches.

3 COMMISSIONER HATCHES: Approved.

4 MS. FRANKS: Commissioner Jones.

5 COMMISSIONER JONES: Approved.

6 MS. FRANKS: Commissioner Shull.

7 COMMISSIONER SHULL: Approved.

8 MS. FRANKS: Chairman Mathewson.

9 CHAIRMAN MATHEWSON: Approved.

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

11 Resolution No. 10-132.

12 CHAIRMAN MATHEWSON: Mr. Roger.

13 DIRECTOR STOTTLEMYRE: Item VIII on the

14 agenda is consideration of relicensure of certain

15 suppliers, and Lieutenant Rex Scism will present.

16 CHAIRMAN MATHEWSON: Good morning, Rex.

17 MR. SCISM: Good morning.

18 Mr. Chairman and Commissioners, Missouri

19 State Highway Patrol investigators conducted the

20 relicensing investigation of three supplier companies

21 currently licensed in Missouri. These investigations

22 consisted of jurisdictional inquiries, feedback from

23 affected gaming company clients, a review of

24 disciplinary actions, litigation and business credit

25 profiles as well as a review of the key persons

1 associated with each of the companies.

2 The results of these investigations were
3 provided to the MGC staff for their review, and you
4 possess summary reports before you which outline our
5 investigative findings.

6 The following supplier companies are
7 being presented for your consideration this morning
8 -- we have three of them. First is Atlantic City
9 Coin and Slot Service Company of Pleasantville, New
10 Jersey.

11 CHAIRMAN MATHEWSON: Okay. Any questions
12 of Rex on this?

13 (No response.)

14 CHAIRMAN MATHEWSON: None? Okay.

15 Chair would accept the motion to adopt
16 10-133, please.

17 COMMISSIONER MERRITT: So moved.

18 COMMISSIONER JONES: Second.

19 CHAIRMAN MATHEWSON: Any discussion.

20 (No response.)

21 CHAIRMAN MATHEWSON: Call roll, Ms. Angie,
22 please.

23 MS. FRANKS: Commissioner Merritt.

24 COMMISSIONER MERRITT: Approved.

25 MS. FRANKS: Commissioner Hatches.

1 COMMISSIONER HATCHES: Approved.
2 MS. FRANKS: Commissioner Jones.
3 COMMISSIONER JONES: Approved.
4 MS. FRANKS: Commissioner Shull.
5 COMMISSIONER SHULL: Approved.
6 MS. FRANKS: Chairman Mathewson.
7 CHAIRMAN MATHEWSON: Approved.
8 MS. FRANKS: By your vote you've adopted
9 Resolution No. 10-133.
10 MR. SCISM: The second supplier company is
11 Atronic Americas, L.L.C., of Las Vegas, Nevada.
12 COMMISSIONER SHULL: Move to approve the
13 Resolution of 10-134.
14 COMMISSIONER JONES: Second.
15 CHAIRMAN MATHEWSON: Any discussion?
16 (No response.)
17 CHAIRMAN MATHEWSON: Call roll, please.
18 MS. FRANKS: Commissioner Merritt.
19 COMMISSIONER MERRITT: Approved.
20 MS. FRANKS: Commissioner Hatches.
21 COMMISSIONER HATCHES: Approved.
22 MS. FRANKS: Commissioner Jones.
23 COMMISSIONER JONES: Approved.
24 MS. FRANKS: Commissioner Shull.
25 COMMISSIONER SHULL: Approved.

1 MS. FRANKS: Chairman Mathewson.
2 CHAIRMAN MATHEWSON: Approved.
3 MS. FRANKS: By your vote you've adopted
4 Resolution No. 10-134.
5 MR. SCISM: And the final supplier or
6 licensee for your consideration this morning is
7 Gaming Laboratories International, L.L.C., of
8 Lakewood, New Jersey.
9 COMMISSIONER HATCHES: Move for approval
10 of Resolution 10-135.
11 COMMISSIONER MERRITT: Second.
12 CHAIRMAN MATHEWSON: Any discussion?
13 (No response.)
14 CHAIRMAN MATHEWSON: Call roll, please.
15 MS. FRANKS: Commissioner Merritt.
16 COMMISSIONER MERRITT: Approved.
17 MS. FRANKS: Commissioner Hatches.
18 COMMISSIONER HATCHES: Approved.
19 MS. FRANKS: Commissioner Jones.
20 COMMISSIONER JONES: Approved.
21 MS. FRANKS: Commissioner Shull.
22 COMMISSIONER SHULL: Approved.
23 MS. FRANKS: Chairman Mathewson.
24 CHAIRMAN MATHEWSON: Approved.
25 MS. FRANKS: By your vote you've adopted

1 Resolution No. 10-135.

2 MR. SCISM: Thank you.

3 CHAIRMAN MATHEWSON: Thank you, Rex.

4 DIRECTOR STOTTLEMYRE: Mr. Chairman,

5 Item IX is consideration of licensure of certain
6 suppliers, and Sergeant Brian Holcomb will present.

7 MR. HOLCOMB: Morning, Mr. Chairman,
8 Commissioners.

9 CHAIRMAN MATHEWSON: Morning.

10 THE COMMISSION: Morning.

11 MR. HOLCOMB: You'll notice under Tab T

12 there are two resolutions, one for the company
13 Lightning Poker, Incorporated, and the second for the
14 company's five associated key persons.

15 Lightning Poker, Incorporated, a
16 subsidiary of Lightning Gaming, Incorporated, made
17 application to the Missouri Gaming Commission on
18 October 15, 2009, in order to be licensed as a
19 riverboat gaming supplier.

20 Founded in 2004, Lightning Gaming
21 develops and markets poker tables and slot machines
22 for the gaming industry. Investigators from the
23 Missouri Gaming Commission and the Missouri State
24 Highway Patrol conducted an investigation of Lightning
25 Poker to aid in determining the company's suitability

1 for licensure.

2 This investigation consisted of
3 jurisdictional inquiries, feedback from affected
4 gaming company clients, and an examination of
5 disciplinary action, litigation, and business credit
6 profiles. The comprehensive investigation also
7 included an individual background investigation on
8 the five following key people: Brian D. Haveson,
9 Chairman of the Board and Chief Executive Officer and
10 Shareholder; Christopher G. Strano, President; Robert
11 D. Ciunci, Chief Financial Officer and Secretary;
12 Frederick C. Tecce, Director and Shareholder; Donald
13 R. Caldwell, Director and Shareholder.

14 The individual background investigations
15 consisted of criminal, civil, and financial inquiries
16 as well as a review of each person's educational
17 background, work history, and record of compliance
18 with various regulatory bodies.

19 Lightening Poker and the company's five
20 associated key persons are being presented at this
21 time for your consideration. A comprehensive summary
22 report was submitted to the Missouri Gaming
23 Commission staff. You possess a copy of that summary
24 before you. The investigating officers are also
25 available to answer any questions you may have at

1 this time.

2 CHAIRMAN MATHEWSON: Any questions?

3 (No response.)

4 CHAIRMAN MATHEWSON: Let's see. I
5 was trying to look here, see if we could combine
6 those two, but I don't think we can, can we?

7 DIRECTOR STOTTLEMYRE: You can.

8 CHAIRMAN MATHEWSON: Cannot or
9 could?

10 DIRECTOR STOTTLEMYRE: You can.

11 CHAIRMAN MATHEWSON: Can?

12 DIRECTOR STOTTLEMYRE: Yes, sir.

13 CHAIRMAN MATHEWSON: Okay.

14 Chair would accept the motion, then,
15 to adopt 10-136 and 10-139 as one vote.

16 COMMISSIONER JONES: So moved.

17 COMMISSIONER HATCHES: Second.

18 CHAIRMAN MATHEWSON: Any discussion?

19 (No response.)

20 CHAIRMAN MATHEWSON: Call roll,
21 Angie, please.

22 MS. FRANKS: Commissioner Merritt.

23 COMMISSIONER MERRITT: Approved.

24 MS. FRANKS: Commissioner Hatches.

25 COMMISSIONER HATCHES: Approved.

1 MS. FRANKS: Commissioner Jones.

2 COMMISSIONER JONES: Approved.

3 MS. FRANKS: Commissioner Shull.

4 COMMISSIONER SHULL: Approved.

5 MS. FRANKS: Chairman Mathewson.

6 CHAIRMAN MATHEWSON: Approved.

7 MS. FRANKS: By your vote you've

8 adopted Resolution Nos. 10-136 and 10-139.

9 CHAIRMAN MATHEWSON: Mr. Roger.

10 DIRECTOR STOTTLEMYRE: Item 10 on the

11 agenda is consideration for licensure of Level I

12 and key applicants, and Lieutenant Rex Scism

13 will present.

14 CHAIRMAN MATHEWSON: Nice to see you

15 again, Rex.

16 MR. SCISM: It's been a long time,

17 hasn't it?

18 CHAIRMAN MATHEWSON: It has. God, I

19 missed you.

20 MR. SCISM: Mr. Chairman and

21 Commissioners, Missouri State Highway Patrol

22 investigators, along with Gaming Commission

23 financial investigators conducted a

24 comprehensive background investigation on Level

25 I and key applicants.

1 The investigation included, but was
2 not limited to, criminal, financial, and general
3 character inquiries, which were made in the
4 jurisdictions where the applicants lived,
5 worked, and frequented.

6 The following individuals are being
7 presented for your consideration this morning.
8 First is Chester W. Opolski, Chief of Security
9 for Ameristar Casino in Kansas City; Kim
10 C. Sumimoto, vice President of casino operations
11 for Ameristar, Kansas City; Thomas McCormick,
12 Executive Vice President and General Counsel for
13 Atlantic City Coin & Slot; Jason S. Seelig,
14 Executive Vice President of Corporate Sales for
15 Atlantic City Coin & Slot; Jeffrey P. Seelig,
16 Chief Financial Officer for Atlantic City Coin &
17 Slot; Jerald C. Seelig, Executive Vice President
18 and General Manager for Atlantic City Coin &
19 Slot; Maxie E. Seelig, President for Atlantic
20 City Coin & Slot; Kathryn Lever, Executive Vice
21 President and General Counsel for Global Cash
22 Access; Robert C. Melendres, Chief Legal Officer
23 and Corporate Secretary and director for
24 International Game Technology; Christopher John
25 Satchell, Chief Technology Officer for

1 International Game Technology, and finally
2 Joshua Mathis, Surveillance Director for Lumiere
3 Place Casino.

4 The results of these investigation
5 were provided to the Gaming Commission staff for
6 their review, and you have all the applicants'
7 summary reports before you.

8 CHAIRMAN MATHEWSON: Okay. Any
9 questions of Rex?

10 (No response.)

11 CHAIRMAN MATHEWSON: Chair would
12 accept a motion on 10-137, please.

13 COMMISSIONER HATCHES: So moved.

14 COMMISSIONER JONES: Second.

15 CHAIRMAN MATHEWSON: You have a
16 motion and a second. Any discussion?

17 (No response.)

18 CHAIRMAN MATHEWSON: Call roll,
19 Angie, please.

20 MS. FRANKS: Commissioner Merritt.

21 COMMISSIONER MERRITT: Approved.

22 MS. FRANKS: Commissioner Hatches.

23 COMMISSIONER HATCHES: Approved.

24 MS. FRANKS: Commissioner Jones.

25 COMMISSIONER JONES: Approved.

1 MS. FRANKS: Commissioner Shull.

2 COMMISSIONER SHULL: Approved.

3 MS. FRANKS: Chairman Mathewson.

4 CHAIRMAN MATHEWSON: Approved.

5 MS. FRANKS: By your vote you've
6 adopted Resolution No. 10-137.

7 MR. SCISM: Thank you.

8 CHAIRMAN MATHEWSON: Thanks, Rex.

9 DIRECTOR STOTTLEMYRE: Mr. Chairman,
10 Item XI on the agenda, consideration of
11 disciplinary actions, Mike Bradley will
12 present.

13 MR. BRADLEY: Good morning.

14 THE COMMISSION: Good morning.

15 MR. BRADLEY: Before you today behind
16 Tab No. V is a preliminariary order for
17 disciplinary action, and as we've discussed in
18 the past, this is a preliminary order. The
19 licensee has the opportunity to request a
20 hearing within thirty days. If the licensee
21 does not request a hearing, the preliminary
22 order becomes a final order, and they're
23 obligated to take whatever discipline is dealt
24 them.

25 The proposed discipline in this case

1 is on PNK, L.L.C., which is the River City
2 Casino, and this is a proposed discipline for
3 minors in the casino. The factual basis of this
4 proposed discipline is on July 4, 2010, two
5 minors were able to get onto the casino floor at
6 River City. They were there past midnight and
7 were discovered around 1:30 the next morning on
8 July the 5th.

9 The two minors were 17 years of
10 age. One was a male and one was a female. The
11 female was actually discovered by the property
12 security dispatch person and -- a security
13 officer who notified dispatch, who contacted
14 Sergeant Moore of the State Highway Patrol
15 assigned to that casino.

16 They were able to apprehend the
17 17-year-old female, and after apprehending her,
18 the patrol did a routine investigation, took her
19 back and began questioning her. During the
20 course of the questioning, they were able to
21 discover that she wasn't there by herself, that
22 she was there with three other adults whose ages
23 were in the late 50s, early 60s, and another
24 17-year-old male, who was her boyfriend.

25 The 17-year-old male was never

1 apprehended at the casino that evening, but
2 based on the questioning of the 17-year-old
3 female and review of the surveillance video, the
4 facts were able to be put together that about
5 10:07 on July 4th the three adults and two
6 minors were able to get into the casino through
7 the turnstyle.

8 The adults tried to create a
9 distraction to let the minors go in, but
10 irregardless, they were able to get onto the
11 floor. So they were there from ten o'clock that
12 evening till at least around a little after one
13 the next morning.

14 During this time frame, the one good
15 thing about this, the minors did not consume any
16 alcohol that was discovered, but going through
17 the video, you're able to go back and follow
18 them when they came through and just follow
19 those individuals on what they did, so the facts
20 were basically all put together by the video.

21 The female, she played seven
22 separate slot machines during this time period,
23 and she played for approximately 27 minutes, so
24 she was there at the slot machines. The
25 17-year-old male played at four separate slot

1 machines for approximately 23 minutes, plus he
2 played at two table games for approximately 20
3 minutes. He played three-card poker, which is a
4 table game, and then for approximately eight
5 minutes he played blackjack.

6 He was able to also purchase \$100
7 worth of chips and play in the poker room for
8 approximately 15 minutes, so this 17-year-old
9 was able to not only get past the turnstyle and
10 play slot machines, he was actually able to play
11 table games as well.

12 Based on the investigation that
13 Sergeant Moore did, you know, found out the
14 male's name and that sort of thing, was able to
15 contact him and have him report the next day,
16 and he was given a summons for minor in the
17 casino as well, so each of them were caught, but
18 the male was never caught while at the casino.
19 He was able to come, play slot machines, play
20 table games and leave without ever being
21 discovered.

22 Because this entire situation shows
23 a systematic issue with the minors in the casino
24 -- and I kind of analogize it to a football game
25 where the turnstiles is a line, but the gal got

1 past the line, got past the linebacker, got
2 tackled by the defensive backs. The guy made it
3 all the way to the touchdown. He got past
4 everybody and never was caught, and that just
5 shows a systematic problem that the casino had
6 that evening.

7 It wasn't -- you can't blame it all
8 on the security officer at the turnstyle. It's
9 the responsibility of everybody in the casino,
10 all the casino employees and, obviously, these
11 people at the table games never questioned him
12 and asked for an ID.

13 I mean, once they got on, it's a
14 provision they be 21, and the casino did not
15 fulfill it's obligations to do that, so we're
16 recommending a \$25,000 fine in this situation.

17 CHAIRMAN MATHEWSON: Any questions?

18 COMMISSIONER MERRITT: Was the
19 individual that created the distraction
20 identified and any action taken there?

21 MR. BRADLEY: No action was taken,
22 but they were identified. They were relatives
23 trying to sneak their people in.

24 COMMISSIONER MERRITT: They should
25 have been hooked up.

1 MR. BRADLEY: I don't believe they
2 filed criminal charges against them, but they
3 were interviewed.

4 CHAIRMAN MATHEWSON: Yeah, the
5 amazing thing about all this to me is the
6 17-year-old kid spent all that time over there.
7 Hell, I've gone on a casino and -- the State
8 before I was on the Gaming Commission, and I
9 lasted about five or six minutes and blew my 500
10 and went home. I mean, this kid lasted for
11 quite a while. Pretty good gambler, or caught
12 them on -- well, whatever.

13 MR. BRADLEY: Hopefully he doesn't
14 have a lot of practice. Hopefully we got him
15 the one time.

16 CHAIRMAN MATHEWSON: We're waiting
17 for him to turn older; right?

18 Chair would accept the motion on the
19 recommendation of legal counsel.

20 COMMISSIONER MERRITT: I make a
21 motion that we accept DC-10-417.

22 COMMISSIONER JONES: Second.

23 CHAIRMAN MATHEWSON: Any discussion?

24 (No response.)

25 CHAIRMAN MATHEWSON: I think that's

1 their first violation on minors, isn't it?

2 MR. BRADLEY: Second violation. We
3 did one up -- up at Sugar Creek we did one, and
4 that's still in the works. Hasn't come back
5 yet.

6 CHAIRMAN MATHEWSON: Okay. Any
7 further discussion?

8 (No response.)

9 CHAIRMAN MATHEWSON: Call roll,
10 Angie, please.

11 MS. FRANKS: Commissioner Merritt.

12 COMMISSIONER MERRITT: Approved.

13 MS. FRANKS: Commissioner Hatches.

14 COMMISSIONER HATCHES: Approved.

15 MS. FRANKS: Commissioner Jones.

16 COMMISSIONER JONES: Approved.

17 MS. FRANKS: Commissioner Shull.

18 COMMISSIONER SHULL: Approved.

19 MS. FRANKS: Chairman Mathewson.

20 CHAIRMAN MATHEWSON: Approved.

21 MS. FRANKS: By your vote you've
22 adopted DC-10-417.

23 CHAIRMAN MATHEWSON: I'd be careful,
24 Commissioners, with this next one, because it
25 looks to me like a pretty shady deal, giving the

1 Chairman power.

2 DIRECTOR STOTTLEMYRE: Item XII on
3 the agenda is delegation of authority for the
4 Chairman. The Missouri Gaming Commission has
5 the authority to delegate to the Chairman of the
6 Commission the limited authority to extend any
7 existing license for up to sixty days. It
8 delegates Chairman Mathewson the limited
9 authority pursuant to 11 CSR 45-1.0204 to extend
10 any existing license for up to sixty days
11 without a prior vote of the Commission. This
12 resolution shall expire on December 1, 2011.

13 CHAIRMAN MATHEWSON: First of all, I
14 didn't ask for this, so you know.

15 DIRECTOR STOTTLEMYRE: It's a
16 continuing --

17 CHAIRMAN MATHEWSON: It's a
18 continuing resolution. You had it. Then I got
19 it, and now I got it again, I guess. You-all
20 voted for it so --

21 COMMISSIONER SHULL: I move approval.

22 COMMISSIONER HATCHES: Do we have to
23 vote on this?

24 COMMISSIONER JONES: I didn't hear a
25 second.

1 CHAIRMAN MATHEWSON: I haven't heard
2 one yet either.

3 COMMISSIONER MERRITT: I second it.

4 CHAIRMAN MATHEWSON: Thank you.
5 Okay.

6 Any further discussion?

7 (No response.)

8 CHAIRMAN MATHEWSON: Call roll,
9 Angie, please.

10 MS. FRANKS: Commissioner Merritt.

11 COMMISSIONER MERRITT: Approved.

12 MS. FRANKS: Commissioner Hatches.

13 COMMISSIONER HATCHES: Approved.

14 MS. FRANKS: Commissioner Jones.

15 COMMISSIONER JONES: Approved.

16 MS. FRANKS: Commissioner Shull.

17 COMMISSIONER SHULL: Approved.

18 MS. FRANKS: Chairman Mathewson.

19 CHAIRMAN MATHEWSON: Let's don't tell
20 Commissioner Hatches where we're having the next
21 meeting. We'll let him wander around like he
22 did the other time.

23 Okay. Roger, please.

24 DIRECTOR STOTTLEMYRE: Did you get a
25 vote from him?

1 MS. FRANKS: No.

2 CHAIRMAN MATHEWSON: Oh. Did I
3 vote? I -- I -- I'll voir dire.

4 MS. FRANKS: By your vote you've
5 adopted Resolution No. 10-138.

6 DIRECTOR STOTTLEMYRE: Item XIII is
7 consideration of rules and regulations.
8 Clarence Greeno will present.

9 CHAIRMAN MATHEWSON: Clarence, nice
10 to see you again.

11 MR. GREENO: Thank you, sir. Good to
12 see you.

13 Mr. Chairman, Commissioners, behind
14 Tab X is a proposed amendment to 11 CSR
15 45-12.090, revising the restrictions for
16 consumption of alcoholic beverages by employees
17 of Class A and Class B licensees.

18 Regulation presently allows only
19 Level I licensees or applicants, the licensees'
20 food and beverage director, and corporate
21 officers to consume alcoholic beverages in
22 nongaming areas of the premises for business
23 purposes and only upon written authorization of
24 the executive director.

25 This limitation creates a situation

1 where casino licensees must hold employee
2 functions, such as awards and recognition
3 dinners and ceremonies, training of beverage
4 servers, as well as other business functions at
5 offsite locations thereby incurring unnecessary
6 costs when the facilities are available on
7 property.

8 The proposed regulation allows the
9 excursion liquor licensee to submit to the
10 director a written request for authorization for
11 employees to consume alcoholic beverages in the
12 nongaming areas of the premises as specific
13 functions sponsored by the licensee.

14 Blanket authorizations are not
15 allowed, but rather requests must be submitted
16 for each specific function. The proposal would
17 also allow requests for training of beverage
18 servers on property.

19 I'd be happy to answer any questions
20 relative to the proposed amendment.

21 CHAIRMAN MATHEWSON: I'm trying to
22 figure out exactly why we need to do this. You
23 know, it doesn't upset me if we have it before
24 us. I'm just trying to figure it out.

25 MR. GREENO: I think one of the

1 primary reasons, Mr. Chairman, is that the
2 regulation forces the casino licensee to hold
3 their functions off the premises and pay another
4 entity for rental space, food costs, and
5 beverage costs --

6 CHAIRMAN MATHEWSON: Oh, okay.

7 MR. GREENO: -- that they have
8 available on their own premises.

9 CHAIRMAN MATHEWSON: Okay. That
10 makes sense. They don't do any business with
11 each other, I guess.

12 COMMISSIONER HATCHES: This restricts
13 where they can do it in the casino floor.

14 CHAIRMAN MATHEWSON: Yeah. It can't
15 be in the casino.

16 MR. GREENO: It has to be off the
17 casino floor.

18 COMMISSIONER HATCHES: Off the boat,
19 yeah.

20 MR. GREENO: Right, off the casino
21 floor.

22 CHAIRMAN MATHEWSON: They'll start
23 drinking more since it's on them. I don't know.
24 They're a motley lot.

25 Any other comments? Concerns?

1 (No response.)

2 CHAIRMAN MATHEWSON: Chair would
3 accept the motion on this rule change.

4 COMMISSIONER MERRITT: I would move
5 to approve the proposed amendment of 11 CSR
6 45-12.090.

7 CHAIRMAN MATHEWSON: Thank you, sir.

8 COMMISSIONER SHULL: Second.

9 CHAIRMAN MATHEWSON: Any discussion?

10 (No response.)

11 CHAIRMAN MATHEWSON: Call roll,
12 Angie, please.

13 MS. FRANKS: Commissioner Merritt.

14 COMMISSIONER MERRITT: Approved.

15 MS. FRANKS: Commissioner Hatches.

16 COMMISSIONER HATCHES: Approved.

17 MS. FRANKS: Commissioner Jones.

18 COMMISSIONER JONES: Approved.

19 MS. FRANKS: Commissioner Shull.

20 COMMISSIONER SHULL: Approved.

21 MS. FRANKS: Chairman Mathewson.

22 CHAIRMAN MATHEWSON: Approved.

23 MS. FRANKS: By your vote you've
24 adopted Proposed Amendment 11 CSR 45-12.090.

25 DIRECTOR STOTTLEMYRE: Item XIV on

1 the agenda is consideration of relicensure of
2 bingo manufacturers and suppliers, and Corporal
3 Mike Finnegan will present.

4 MR. FINNEGAN: Mr. Chairman,
5 Commissioners, today I'm presenting several
6 companies for relicensure as suppliers or
7 manufacturers of bingo products in the state of
8 Missouri.

9 All bingo supplier and manufacturer
10 licenses are issued for the calendar year and
11 expire on December 31st of each year. The
12 relicensure of both manufacturers and suppliers
13 includes, but is not limited to, federal and
14 state tax checks, customer and product lists,
15 corporate organization, gaming license checks,
16 as well as various criminal and financial
17 background checks on each company's key persons.

18 You may notice that some of the
19 companies mentioned hold dual licenses. The
20 primary difference between relicensing a
21 manufacturer and a supplier is a bond
22 requirement, which is incumbent upon a supplier
23 as they are responsible for paying tax on the
24 items sold.

25 The following four companies have

1 applied for relicensure of their supplier's
2 license: Games Galore, All American Bingo,
3 Bingo Supply Center, and GameTech International.

4 CHAIRMAN MATHEWSON: Any questions?

5 (No response.)

6 CHAIRMAN MATHEWSON: Chair would
7 accept the motion on Resolution 10-002-B.

8 COMMISSIONER JONES: So moved.

9 COMMISSIONER SHULL: Second.

10 CHAIRMAN MATHEWSON: Any discussion?

11 (No response.)

12 CHAIRMAN MATHEWSON: Call roll,
13 Angie, please.

14 MS. FRANKS: Commissioner Merritt.

15 COMMISSIONER MERRITT: Approved.

16 MS. FRANKS: Commissioner Hatches.

17 COMMISSIONER HATCHES: Approved.

18 MS. FRANKS: Commissioner Jones.

19 COMMISSIONER JONES: Approved.

20 MS. FRANKS: Commissioner Shull.

21 COMMISSIONER SHULL: Approved.

22 MS. FRANKS: Chairman Mathewson.

23 CHAIRMAN MATHEWSON: Approved.

24 MS. FRANKS: By your vote you've
25 adopted Resolution No. 10-002-B.

1 MR. FINNEGAN: The following ten
2 companies have applied for relicensure of their
3 manufacture's license: Universal Manufacturing
4 Company, Douglas Press, International Gameco,
5 Arrow International, GameTech International,
6 Fortunet, Pollard Games, VKGS, MMG, and Les
7 Enterprises Carosielli.

8 Thank you.

9 CHAIRMAN MATHEWSON: Any discussion?
10 Questions?

11 (No response.)

12 CHAIRMAN MATHEWSON: Chair would
13 accept the motion to adopt the licensure under
14 10-003-B.

15 COMMISSIONER JONES: So moved.

16 COMMISSIONER MERRITT: Second.

17 CHAIRMAN MATHEWSON: Any discussions?

18 (No response.)

19 CHAIRMAN MATHEWSON: Call roll,
20 please.

21 MS. FRANKS: Commissioner Merritt.

22 COMMISSIONER MERRITT: Approved.

23 MS. FRANKS: Commissioner Hatches.

24 COMMISSIONER HATCHES: Approved.

25 MS. FRANKS: Commissioner Jones.

1 COMMISSIONER JONES: Approved.

2 MS. FRANKS: Commissioner Shull.

3 COMMISSIONER SHULL: Approved.

4 MS. FRANKS: Chairman Mathewson.

5 CHAIRMAN MATHEWSON: Approved.

6 MS. FRANKS: By your vote you've

7 adopted Resolution No. 10-003-B.

8 CHAIRMAN MATHEWSON: Roger, Roger.

9 DIRECTOR STOTTLEMYRE: Item XV on the
10 agenda is new business. The staff has no new
11 business for you at this time.

12 CHAIRMAN MATHEWSON: Thank you,
13 Jesus.

14 DIRECTOR STOTTLEMYRE: We've had
15 plenty of business today.

16 CHAIRMAN MATHEWSON: Yes, we
17 certainly have. Okay.

18 DIRECTOR STOTTLEMYRE: Item XVI would
19 be old business, if you have no new business.

20 CHAIRMAN MATHEWSON: I have no old
21 business. Do you have any old business?

22 DIRECTOR STOTTLEMYRE: I do not.

23 CHAIRMAN MATHEWSON: Anyone have any
24 old business?

25 COMMISSIONER JONES: Before we go

1 into closed session, Chairman, I'd like to
2 welcome John Nathan back.

3 CHAIRMAN MATHEWSON: Oh, good.

4 Thank you.

5 COMMISSIONER JONES: Thanks, John.

6 CHAIRMAN MATHEWSON: It's good to
7 have you back, buddy.

8 MR. NATHAN: Good to be back.

9 CHAIRMAN MATHEWSON: Glad to see you
10 improving. I think you've had enough time off,
11 though, so get your ass back to work.

12 COMMISSIONER MERRITT: With that
13 said, I would make a motion that we go into
14 closed meeting under Section 313.847 and
15 610.021(1), (11), (12) and (14).

16 COMMISSIONER HATCHES: I wish you
17 could have made that motion before.

18 COMMISSIONER MERRITT: Yeah, a little
19 too slow.

20 MS. FRANKS: We need a second.

21 COMMISSIONER HATCHES: Second.

22 MS. FRANKS: Commissioner Merritt.

23 COMMISSIONER MERRITT: Approved.

24 MS. FRANKS: Commissioner Hatches.

25 COMMISSIONER HATCHES: Approved.

1 MS. FRANKS: Commissioner Jones.

2 COMMISSIONER JONES: Approved.

3 MS. FRANKS: Commissioner Shull.

4 COMMISSIONER SHULL: Approved.

5 MS. FRANKS: Chairman Mathewson.

6 CHAIRMAN MATHEWSON: Approved.

7 CHAIRMAN MATHEWSON: Okay.

8 (The meeting concluded.)

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE OF REPORTER

I, Nancy L. Silva, RPR, CCR, within
and for the State of Missouri, do hereby certify
that the witness' testimony that appears in the
foregoing proceeding 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
proceeding was taken, and further, that I am not
a relative or employee of any attorney or
counsel employed by the parties thereto, nor
financially or otherwise interested in the
outcome of the action.

Nancy L. Silva, RPR, CCR

