

1 BEFORE THE MISSOURI GAMING COMMISSION

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MEETING

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TAKEN ON BEHALF OF MISSOURI GAMING COMMISSION

11

AUGUST 26, 2020

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SIGNATURE INSTRUCTIONS: No signature required.

EXHIBIT INSTRUCTIONS: No exhibits were marked.

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BEFORE THE MISSOURI GAMING COMMISSION

MEETING

AUGUST 26, 2020

9:30 a.m.

Missouri Gaming Commission

3417 Knipp Drive

Jefferson City, MO 65109

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A P P E A R A N C E S

COMMISSIONERS PRESENT:

- Chairman Mike Leara
- Commissioner Daniel P. Finney, III
- Commissioner Brandon Boulware via Telephone
- Commissioner Pat Conway
- Commissioner David W. Hane via Telephone

Court Reporter:
Monnie S. Mealy, CCR, CSR, RPR
Alaris Litigation Services
2511 Broadway Bluffs, Suite 201
Columbia, MO 65201-8142
(573) 449-0561

1 TRANSCRIPT OF PROCEEDINGS

2 CHAIRMAN LEARA: Call the meeting to order
3 of the Missouri Gaming Commission for August 26th,
4 2020. Angie, please call the roll.

5 MS. FRANKS: Commissioner Hane?

6 COMMISSIONER HANE: Present.

7 MS. FRANKS: Commissioner Conway?

8 COMMISSIONER CONWAY: Present.

9 MS. FRANKS: Commissioner Boulware?

10 COMMISSIONER BOULWARE: Present.

11 MS. FRANKS: Commissioner Finney?

12 COMMISSIONER FINNEY: Present.

13 MS. FRANKS: Chairman Leara?

14 CHAIRMAN LEARA: Present. Quorum having
15 been established, we'll move on to the adoption of
16 the agenda as printed. I will make a motion to
17 adopt and look for a second.

18 COMMISSIONER CONWAY: I'll second.

19 CHAIRMAN LEARA: Second by Mr. Conway.
20 Angie, please call the roll. Commissioners, is
21 there any discussion? Seeing none, Angie call the
22 roll. Thank you.

23 MS. FRANKS: Commissioner Hane?

24 COMMISSIONER HANE: Approved.

25 MS. FRANKS: Commissioner Conway?

1 COMMISSIONER CONWAY: Approved.

2 MS. FRANKS: Commissioner Boulware?

3 COMMISSIONER BOULWARE: Approved.

4 MS. FRANKS: Commissioner Finney?

5 COMMISSIONER FINNEY: Approved.

6 MS. FRANKS: Chairman Leara?

7 CHAIRMAN LEARA: Approved. The

8 next item is consideration of minutes from June

9 24th, 2020. I'll make a motion to approve. Ask

10 for a second.

11 COMMISSIONER CONWAY: I'll second.

12 COMMISSIONER BOULWARE: Boulware seconds.

13 CHAIRMAN LEARA: Second by Mr. Boulware.

14 Any discussion on the minutes for June 24th?

15 Seeing none, Angie, please call the roll.

16 MS. FRANKS: Commissioner Hane?

17 COMMISSIONER HANE: Approved.

18 MS. FRANKS: Commissioner Conway?

19 COMMISSIONER CONWAY: Approved.

20 MS. FRANKS: Commissioner Boulware?

21 COMMISSIONER BOULWARE: Approved.

22 MS. FRANKS: Commissioner Finney?

23 COMMISSIONER FINNEY: I don't -- I think

24 -- I think I have to abstain on that one.

25 MS. FRANKS: Chairman Leara?

1 CHAIRMAN LEAR: Approved.

2 MS. FRANKS: By your vote, you've adopted
3 the minutes of June 24th, 2020, meeting.

4 CHAIRMAN LEARA: Move for the adoption of
5 the June 30th minutes. I make a motion to approve
6 and look for a second.

7 COMMISSIONER HANE: Commissioner Hane.

8 CHAIRMAN LEARA: Commissioner Hane
9 seconds. Any discussion? Seeing none, Angie?

10 MS. FRANKS: Commissioner Hane?

11 COMMISSIONER HANE: Approved.

12 MS. FRANKS: Commissioner Conway?

13 COMMISSIONER CONWAY: Approved.

14 MS. FRANKS: Commissioner Boulware?

15 COMMISSIONER BOULWARE: Approved.

16 MS. FRANKS: Commissioner Finney?

17 COMMISSIONER FINNEY: Abstain.

18 MS. FRANKS: Chairman Leara?

19 CHAIRMAN LEARA: Approved.

20 MS. FRANKS: By your vote, you've adopted
21 the minutes of the June 30th, 2020, meeting.

22 CHAIRMAN LEARA: Thank you. The next item
23 is consideration of Hearing Officer recommendation
24 for Resolution No. 20-020.

25 MR. STEIB: Good morning.

1 CHAIRMAN LEARA: Please state your name.

2 MR. STEIB: My name is Charles Steib. I'm
3 the Hearing Officer in this matter. May it please
4 the Commission.

5 This matter is -- concerns a James Craven
6 who applied for an occupational license with the
7 Commission on October 22nd, 2019.

8 The Applicant filed an application with
9 the Commission. In that application, he was asked,
10 quote, Have you ever been arrested, detained,
11 charged, indicted, convicted, pled guilty, nolo
12 contendere or forfeited bail in any matter. That
13 was a quote that was the language from the
14 application.

15 At that time, each of these charges were
16 defined, so there's no question then in the
17 Applicant's mind of what was being asked of him
18 regarding an offense or charge or -- or a -- an
19 arrest.

20 Mr. Craven did relate on that application
21 that he had been charged with a DUI in Kirkwood in
22 2009, charge of leaving the scene of an accident in
23 2010 in the City of St. Louis and a charge of drug
24 possession in the City of St. Louis in 2012.

25 Following the submission of that

1 application, Mr. Craven's fingerprints were sent to
2 the Missouri Highway Patrol, and the result of that
3 fingerprint investigation revealed that in May of
4 2006, Mr. Craven was charged with possession of
5 35 grams of marijuana in Kirkwood, in possession of
6 drug paraphernalia.

7 In November of 2009, Mr. Craven was
8 charged with a DWI in St. Louis County. In
9 November of 2011, in Kirkwood, Missouri, Mr. Craven
10 was charged with leaving the scene of a motor
11 vehicle accident and possession of a controlled
12 substance.

13 In December of 2011 in Chesterfield,
14 Missouri, Mr. Craven was charged with possession of
15 drug paraphernalia, possession of a controlled
16 substance, felony. That felony was reduced to a
17 misdemeanor upon a guilty plea.

18 In January of 2013 in the City of
19 St. Louis, Mr. Craven was charged with possession
20 of a controlled substance, also a felony, reduced
21 to a misdemeanor upon pleading guilty.

22 In May of 2013, in the City of St. Louis,
23 Mr. Craven was charged with resisting arrest,
24 attempted assault, third degree, unlawful use of
25 drug paraphernalia, possession of a controlled

1 substance, also a felony reduced to misdemeanor
2 upon a plea of guilty.

3 None of the aforementioned items were
4 mentioned by Mr. Craven on his application. So out
5 of nine incidents, he revealed three on his
6 application.

7 At the hearing which was conducted in this
8 matter on February 11th, Mr. Craven made multiple
9 admissions against interest, admitted all of these
10 things.

11 On Page 1 of the application, it states
12 specifically, You must make accurate statements and
13 include all material facts. Any misrepresentation
14 or the failure to provide the requested information
15 may result in the denial of your application.

16 Mr. Craven failed to reveal multiple
17 counts, multiple arrests, multiple jurisdictions,
18 all of which he should have revealed in his
19 application.

20 Based upon the oral testimony given under
21 oath and based upon the exhibits admitted into
22 evidence, it is my opinion that Mr. Craven did not
23 meet his burden of proof to show by clear and
24 convincing evidence that should he -- he should be
25 entitled to a Level 2 occupational license.

1 And it is since my recommendation that he be denied
2 a license.

3 CHAIRMAN LEARA: Okay. Any questions for
4 Mr. Steib? Seeing none -- and read the report,
5 thoroughly, and there was a lot of evidence there.
6 And I don't think we have any more questions for
7 you, Mr. Steib. Thank you.

8 MR. STEIB: Thank you.

9 CHAIRMAN LEARA: Anyone else wish to speak
10 on the resolution?

11 COMMISSIONER HANE: Commissioner Hane.

12 CHAIRMAN LEARA: Commissioner Hane.

13 COMMISSIONER HANE: Concerning the
14 resolution 20-020, I would request that the
15 spelling of Mr. Craven's address be reflected as
16 Ballwin, B-a-l-l-w-i-n rather than --

17 MR. STEIB: I'm sorry. I don't know
18 whether it's your mask or my mask, but I just can't
19 hear your request.

20 CHAIRMAN LEARA: Mr. Hane is asking for
21 the correction of the municipality in which
22 Mr. Ballwin -- or Mr. Craven resides to Ballwin,
23 Missouri.

24 MR. STEIB: He currently is residing in --
25 at least at the hearing, at that time, he was

1 residing in Ballwin, Missouri.

2 CHAIRMAN LEARA: Okay. And does that not
3 reflect that, Mr. Hane? I'm looking at it here.
4 What page would that -- would that be on the
5 resolution?

6 COMMISSIONER HANE: Yes. On the
7 resolution itself. I don't think there is
8 B-a-l-v --

9 CHAIRMAN LEARA: Oh, Balvin. Yeah. We
10 would need to correct that to two Ls. Thank you.
11 That will be corrected.

12 COMMISSIONER HANE: Okay.

13 CHAIRMAN LEARA: Thank you, Mr. Hane.
14 Anyone else? Is Mr. Craven here? I don't think
15 so. I don't see him. Okay. If no one else wishes
16 to speak, I'm looking for a motion to approve?

17 COMMISSIONER HANE: I will make a motion
18 that we accept the recommendation.

19 CHAIRMAN LEARA: Do we have a second?

20 COMMISSIONER FINNEY: Second.

21 CHAIRMAN LEARA: Second by Mr. Finney.
22 Any other discussion? Seeing none, Angie, call the
23 roll.

24 MS. FRANKS: Commissioner Hane?

25 COMMISSIONER HANE: Approved.

1 MS. FRANKS: Commissioner Conway?

2 COMMISSIONER CONWAY: Approved.

3 MS. FRANKS: Commissioner Boulware?

4 COMMISSIONER BOULWARE: Approved.

5 MS. FRANKS: Commissioner Finney?

6 COMMISSIONER FINNEY: Approved.

7 MS. FRANKS: Chairman Leara?

8 CHAIRMAN LEARA: Approved.

9 MS. FRANKS: By your vote, you've adopted
10 Resolution No. 20-020.

11 CHAIRMAN LEARA: The next item would be
12 the relicensure, Class A license of Boyd Gaming.
13 Mr. Grewach, when you're ready.

14 MR. GREWACH: Yes. I believe Mr. Cantwell
15 will introduce the people presenting on behalf of
16 Boyd Gaming.

17 CHAIRMAN LEARA: Mr. Cantwell, you have
18 the floor.

19 MR. CANTWELL: Thank you. Chairman Leara,
20 Commissioners, Deputy Director McGrail and staff,
21 good morning.

22 My name is Robert Cantwell, and I am local
23 Missouri Counsel for Boyd Gaming Corporation. I'm
24 pleased to be here today on behalf of Boyd to
25 request renewal of their Class A license.

1 This is the second renewal for Boyd and
2 appreciate the opportunity to present here today.
3 I'm joined with James Adams, who is Deputy General
4 Counsel for Boyd Gaming Corporation, and he has a
5 few words for the Commissioners and is happy and
6 able to answer any questions you may have. Thank
7 you.

8 CHAIRMAN LEARA: Good morning, Mr. Adams.

9 MR. ADAMS: Good morning. Chairman Leara,
10 Commissioners, thank you for having me here today.
11 I do want to correct the record very quickly. I'm
12 not actually Deputy General Counsel. I'm Vice
13 President and Assistant General Counsel.

14 Okay. I just want to start by saying
15 thank you. I'm actually a fellow Missourian, so
16 it's nice to come home during the summertime, even
17 if I'm only here for one night. You know, I was
18 telling -- I was telling Rob that, given my
19 druthers, if I was going to go someplace in the
20 summertime, it would be to come home and be here.
21 So this is -- this is great.

22 I guess the second thing I would say is,
23 you know, it's really a privilege to hold a gaming
24 license here in the state. We appreciate that. We
25 appreciate the work that the Commission does and

1 the staff.

2 And so on behalf of Boyd Gaming, just
3 thank you for considering our application for the
4 renewal of our -- of our Class A license.

5 And with that, you know, if there are any
6 questions about how the company is doing, anything
7 you want to know about our operations, I'd be happy
8 to answer those.

9 CHAIRMAN LEARA: Gentlemen? I have a
10 question.

11 MR. ADAMS: Sure.

12 CHAIRMAN LEARA: I see you have a lot of
13 institutional ownership, Black Rock and Fidelity.

14 MR. ADAMS: Yes, we do.

15 CHAIRMAN LEARA: What's their
16 relationship? What's your interaction with them?

17 MR. ADAMS: You know, I think -- I think,
18 our investors relation group works to keep them
19 informed. But in terms of -- you know, in terms of
20 any sort of influence with respect to operations,
21 it's really zero.

22 You know, I think they look at our
23 business. They -- they like our business. They
24 think it's a good investment. And I think that's
25 pretty much the -- the extent of it.

1 CHAIRMAN LEARA: Is it -- is it private
2 equity interest that they give, or do they put --
3 an interest in the funds?

4 MR. ADAMS: No. Yeah. It's all -- it's
5 all -- it's all public equity investment directly
6 in the stock. I -- I believe in the past that we
7 have had one potential activist investor, and we
8 went through that process and, you know, ultimately
9 they decided to divest from us.

10 CHAIRMAN LEARA: So I see that they're
11 under 10 percent ownership each respectively at
12 this time.

13 MR. ADAMS: Yeah. That's right.

14 CHAIRMAN LEARA: And do they have
15 intentions of going between 10 and 20? Did I --

16 MR. ADAMS: I have -- I have no indication
17 that that would be the case. You know, my
18 knowledge of it is it is all just, you know,
19 passive institutional investment.

20 CHAIRMAN LEARA: And are those restricted
21 shares in anyway? Or are they just market
22 exchange?

23 MR. ADAMS: Yeah. This is all purchases
24 in the market.

25 CHAIRMAN LEARA: And they don't have any

1 grants pending or anything like that?

2 MR. ADAMS: No. No. Nothing -- no
3 warrants, no options, nothing convertible. You
4 know, it's just --

5 CHAIRMAN LEARA: And they're all common
6 shares now?

7 MR. ADAMS: Yeah. They're all common
8 shares. Yeah.

9 CHAIRMAN LEARA: Do you have preferred
10 shares?

11 MR. ADAMS: Not that we have -- none that
12 we have issued. In terms of the stock that we have
13 available for issuance, we could issue preferred,
14 but we've never issued it.

15 CHAIRMAN LEARA: And debt instruments, do
16 you have any out there?

17 MR. ADAMS: Yeah, we do. We have various
18 classes of senior notes. Actually, one of the
19 things that I was working on recently was a bond
20 offering that we did in May, 600 million worth of
21 senior unsecured notes. So at this point --

22 CHAIRMAN LEARA: Public offering?

23 MR. ADAMS: What's that?

24 CHAIRMAN LEARA: Public offering?

25 MR. ADAMS: Yeah. Public -- it was a

1 private placement --

2 CHAIRMAN LEARA: It was.

3 MR. ADAMS: -- of institutional investors.

4 CHAIRMAN LEARA: Anyone on this list?

5 MR. ADAMS: I don't -- I don't believe so.

6 But I would need to -- I can't give you an answer

7 to that without --

8 CHAIRMAN LEARA: Okay.

9 MR. ADAMS: -- doublechecking that. But

10 it's -- it's consistent with how we've structured

11 our balance sheet. If you were to look at our

12 balance sheet, we have, I believe -- I believe four

13 different classes of senior unsecured notes.

14 You know, we had gone out into the market

15 in December and done a billion dollar offering at

16 four and three-quarters percent, you know, which I

17 think was a reflection at the time of what people

18 thought of our business. You know, it's --

19 CHAIRMAN LEARA: Did you get a rating on

20 that obligation?

21 MR. ADAMS: We did. I -- I couldn't tell

22 you off the top of my head what it is. But I think

23 given the interest rate that we had in December,

24 it's a very, very favorable indication of what

25 people think of our business to be able to go out

1 and raise that much money at that price.

2 I mean, obviously, you know, with what's
3 happened to the world we live in over the past few
4 months, a very different price in May. But I think
5 it's still -- I think it's a reflection on what
6 people think about our business that we were able
7 to go out at a time when we had no business
8 operations and we were able to -- to raise money at
9 a reasonable rate and add cash to our balance sheet
10 and really bulletproof things.

11 CHAIRMAN LEARA: What was the term of that
12 four and three-quarters? How many years or --

13 MR. ADAMS: I believe -- I believe that --
14 I believe that the tenure on it was five years.

15 CHAIRMAN LEARA: Oh.

16 MR. ADAMS: It might have been seven. I
17 apologize for not knowing off the top of my head.

18 CHAIRMAN LEARA: It was relatively short,
19 though?

20 MR. ADAMS: Yeah. It was relatively
21 short. And, you know, so we've done various
22 different things with respect to our financing
23 arrangements over the last few months to respond to
24 the pandemic.

25 You know, we recently extended the

1 maturity on some of the outstanding loans under our
2 credit agreement, which were otherwise going to be
3 coming due in September 2021. And we extended
4 those out to September of 2023.

5 And so, you know, we're in a very good
6 shape today with respect to the amount of cash we
7 have on our balance sheet. We're well-positioned
8 if, you know, God forbid, we have to shut down some
9 of our properties again and are not cash flowing.

10 You know, the flip side of that is that
11 since we've re-opened, operations have been doing
12 well. You know, we're cash flow positive. And
13 when you look at sort of period over period
14 comparisons of the time that we have been open
15 during the second quarter to second quarter, last
16 year compares favorably. So I think the business
17 is doing well.

18 CHAIRMAN LEARA: Very well. Thank you.

19 MR. ADAMS: Yeah.

20 CHAIRMAN LEARA: Anyone else?

21 COMMISSIONER CONWAY: If I may just --

22 CHAIRMAN LEARA: Yeah. Mr. Conway?

23 COMMISSIONER CONWAY: Just more out
24 curiosity.

25 MR. ADAMS: Sure.

1 COMMISSIONER CONWAY: I notice a number of
2 your properties, you also are in the racing
3 industry?

4 MR. ADAMS: We are.

5 COMMISSIONER CONWAY: Do you actually
6 operate those, or do lease those out to a
7 separate --

8 MR. ADAMS: No. We -- we operate them
9 ourselves.

10 COMMISSIONER CONWAY: And no attendance at
11 any of the racing events as of now, but you are
12 showing profitability on these?

13 MR. ADAMS: I -- I apologize. I don't --
14 I don't know what the current regulation numbers
15 look like.

16 COMMISSIONER CONWAY: Okay.

17 MR. ADAMS: I do know that we have worked
18 hard to get open again and to commence our racing
19 calendars both down in Louisiana and in Ohio.

20 You know, we have worked very hard to
21 ensure that -- that those operations are safe and
22 that we're -- we're taking the steps necessary to
23 -- you know, to -- to both protect our employees
24 and protect the horsemen, you know.

25 COMMISSIONER CONWAY: Right. I just

1 noticed that there were some reports of
2 profitability on racing had increased significantly
3 due to the fact of the COVID that it was one of the
4 last options left out there for -- for sports
5 enthusiasts. But --

6 MR. ADAMS: Yeah. I think that's -- yeah.
7 I think that's the case that that definitely demand
8 is different now. And, you know, I think people
9 are really -- I think we're all appreciating, you
10 know, the -- the options and the opportunities that
11 we have for -- for entertainment at this point.

12 So I don't know if that is a trend that
13 will sustain itself long-term. But I -- for now,
14 it's a good thing.

15 COMMISSIONER CONWAY: All right. Thank
16 you. Thank you, Mr. Chairman.

17 CHAIRMAN LEARA: Okay. Anyone else?
18 Seeing none, Mr. Adams, thank you.

19 MR. ADAMS: Thank you very much.

20 CHAIRMAN LEARA: Yes. Sergeant Holcomb,
21 is he here? Good morning, Sergeant, I see your
22 name is on this report.

23 SERGEANT HOLCOMB: Yes, sir.

24 CHAIRMAN LEARA: Anything you wish to add
25 or --

1 SERGEANT HOLCOMB: No, sir.

2 CHAIRMAN LEARA: Concerns? Nothing?

3 SERGEANT HOLCOMB: No. No concerns.

4 CHAIRMAN LEARA: So you maintain the
5 following of this company, then? If you're -- it's
6 your name on this report -- well, there's a couple
7 of names. Okay.

8 SERGEANT HOLCOMB: I had -- I did the
9 initial investigation. I've done the two renewals.
10 But the monitoring has switched to another officer
11 based on some reorganization in the unit. But I --
12 I have monitored them.

13 CHAIRMAN LEARA: Okay. So you have
14 nothing to add here to your report. Okay.

15 SERGEANT HOLCOMB: No, sir.

16 CHAIRMAN LEARA: All right. Thank you.

17 SERGEANT HOLCOMB: Thank you.

18 CHAIRMAN LEARA: All right. So we have a
19 staff recommendation for the approval in the form
20 of Resolution 20-021. And I will move for that
21 approval and ask for a second.

22 COMMISSIONER CONWAY: I'll second.

23 CHAIRMAN LEARA: Commissioner Conway
24 seconds. Any other discussion? Seeing none, Angie
25 please call the roll.

1 MS. FRANKS: Commissioner Hane?

2 COMMISSIONER CONWAY: Approved.

3 MS. FRANKS: Commissioner Conway?

4 COMMISSIONER CONWAY: Approved.

5 MS. FRANKS: Commissioner Boulware?

6 COMMISSIONER BOULWARE: Approved.

7 MS. FRANKS: Commissioner Finney?

8 COMMISSIONER FINNEY: Approved.

9 MS. FRANKS: Chairman Leara?

10 CHAIRMAN LEARA: Approved.

11 MS. FRANKS: By your vote, you've adopted

12 Resolution No. 20-021.

13 CHAIRMAN LEARA: The next item on the

14 agenda, No. 6, key business entities. Ed Grewach,

15 when you're ready.

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

17 Commissioners. Under Tab, E we have a resolution

18 to approve the application of Twin River Management

19 Group, Incorporated, and Standard RI, Ltd, as key

20 business entities for our class A licensee, Twin

21 River Worldwide Holdings, Incorporated.

22 You have before you a summary report, and

23 I would be happy to address any questions that the

24 Commissioners may have.

25 CHAIRMAN LEARA: Any questions for

1 Mr. Grewach?

2 COMMISSIONER HANE: This is Commissioner
3 Hane. Ed? Ed?

4 MR. GREWACH: Yes. Yes.

5 COMMISSIONER HANE: I'm just trying to put
6 to -- we had this issue with the Chatham versus
7 Twin Rivers Worldwide. That was supposed to be
8 settled in August. So -- has that been done? Do
9 you know anything about that?

10 MR. GREWACH: I do not. The -- the
11 licensure, you know, that took place of Twin River
12 Worldwide at the June 30t meeting, I -- I don't
13 really know any update from that.

14 I was tasked today with presenting these
15 two key business entities. So I could certainly
16 research that and get an answer back to you on that
17 particular question.

18 COMMISSIONER HANE: Okay. Appreciate
19 that.

20 CHAIRMAN LEARA: Okay. Any other
21 discussion? All right. Seeing none, I will look
22 for a motion to approve Resolution 20-022, The
23 licensure of key business entities for Twin Rivers.

24 COMMISSIONER FINNEY: So moved.

25 CHAIRMAN LEARA: Motion by Mr. Finney. Do

1 we have a second?

2 COMMISSIONER CONWAY: Second.

3 COMMISSIONER BOULWARE: Second by
4 Commissioner Boulware.

5 CHAIRMAN LEARA: Take your pick.

6 Mr. Boulware. That's fine. Any other discussion?

7 Seeing none, Angie, please call the roll.

8 MS. FRANKS: Commissioner Hane?

9 COMMISSIONER HANE: Approved.

10 MS. FRANKS: Commissioner Conway?

11 COMMISSIONER CONWAY: Approved.

12 MS. FRANKS: Commissioner Boulware?

13 COMMISSIONER BOULWARE: Approved.

14 MS. FRANKS: Commissioner Finney?

15 COMMISSIONER FINNEY: Approved.

16 MS. FRANKS: Chairman Leara?

17 CHAIRMAN LEARA: Approved.

18 MS. FRANKS: By your vote, you've adopted

19 Resolution No. 20-022.

20 MR. GREWACH: Thank you.

21 CHAIRMAN LEARA: Thank you, Mr. Grewach.

22 The next item, Lieutenant Aylward, you have the
23 floor when you're ready. It will be the licensure
24 of certain Level 1 key applicants for Resolution
25 20-023. You have the floor.

1 LIEUTENANT AYLWARD: Mr. Chairman,
2 Commissioners, good morning.

3 CHAIRMAN LEARA: Good morning.

4 LIEUTENANT AYLWARD: Investigators with
5 the Missouri State Highway Patrol and the Missouri
6 Gaming Commission along, with financial
7 investigators from the Missouri Gaming Commission,
8 conducted comprehensive background investigations
9 on Key and Level 1 applicants.

10 The investigations include, but are not
11 limited to, criminal, financial and general
12 character inquiries which are made in the
13 jurisdictions where the applicants live, work and
14 frequent.

15 The following applicants are being
16 presented for your consideration: Andrei A.
17 Scrivens, Affinity Gaming, Chief Financial Officer;
18 Joshua William McLaughlin, Ameristar Casino,
19 Manager of Information Technology; Aaron Joseph
20 House, Century Casino, Caruthersville, Information
21 Technology Manager; William M. Reeg, Eldorado
22 Resorts, Incorporated, Senior Vice President of
23 Operations; Michael David Brodnan, Hollywood
24 Casino, Director of Surveillance; David Edward
25 Williams, Penn National Gaming, Incorporated,

1 Executive Vice President, Chief Financial Officer;
2 and Kneeland C. Youngblood, Scientific Games
3 Corporation, Director.

4 Investigative findings were provided to
5 the Missouri Gaming Commission staff for their
6 review, and all investigators are available to
7 answer any questions you may have. Thank you.

8 CHAIRMAN LEARA: And these were all new
9 licenses; is that correct?

10 LIEUTENANT AYLWARD: Yes, sir.

11 CHAIRMAN LEARA: Okay. Any other
12 discussion, questions for Mr. Aylward?

13 COMMISSIONER HANE: Commissioner Hane.

14 CHAIRMAN LEARA: Mr. Hane?

15 COMMISSIONER HANE: All these -- all these
16 are Level 1?

17 LIEUTENANT AYLWARD: It's a mix. Some are
18 a Level 1. Some are Keys. And they're stated on
19 the confidential summary reports that you have
20 before you.

21 CHAIRMAN LEARA: Did you hear that,
22 Mr. Hane?

23 COMMISSIONER HANE: Well, part of it.
24 That first part, the Level 1 part. What was
25 that --

1 LIEUTENANT AYLWARD: There are both Level
2 ls and Keys within the applicants. And if you
3 refer to the cover page of the confidential
4 reports, it -- they'll list their status on there.

5 COMMISSIONER HANE: Okay. Thank you.

6 CHAIRMAN LEARA: All right. Any other
7 questions for lieutenant Aylward? Seeing none,
8 look for a motion to approve Resolution 20-023 for
9 the Level 1s and Key applicants.

10 COMMISSIONER FINNEY: So moved.

11 CHAIRMAN LEARA: Motion by Mr. Finney. Do
12 we have a second? I will second. Any other
13 discussion? Seeing none, Angie please call the
14 roll.

15 MS. FRANKS: Commissioner Hane?

16 COMMISSIONER HANE: Approved.

17 MS. FRANKS: Commissioner Conway?

18 COMMISSIONER CONWAY: Approved.

19 MS. FRANKS: Commissioner Boulware?

20 COMMISSIONER BOULWARE: Approved.

21 MS. FRANKS: Commissioner Finney?

22 COMMISSIONER FINNEY: Approved.

23 MS. FRANKS: Chairman Leara?

24 CHAIRMAN LEARA: Approved.

25 MS. FRANKS: By your vote, you've adopted

1 Resolution No. 20-023.

2 CHAIRMAN LEARA: Next item for
3 consideration, Midwest Game Supply, Resolution
4 20-024. Mr. Grewach, when you're ready.

5 MR. GREWACH: Yes, Mr. Chairman, thank
6 you. Under Tab G, we do have a resolution to
7 ratify the extension of the license of Midwest Game
8 Supply Company.

9 The company supplier license was set to
10 expire on August 31st, 2020. By our rule, that
11 made the renewal application due on May the 3rd,
12 2020.

13 Because their offices were closed due to
14 COVID-19 restrictions, we did not receive their
15 renewal application until June 1st of 2020. The
16 result of that was -- left insufficient time for
17 vectors to complete their work.

18 On July 20th, 2020, the Chairman extended
19 the license to October 30th, 2020. Under Rule
20 1.0204, that extension requires the ratification by
21 the full Commission at the next regular meeting, so
22 we are presenting this resolution at this time.

23 CHAIRMAN LEARA: And we'll have enough
24 time to do all of the work that we need to do by
25 October 30th?

1 MR. GREWACH: That's correct. I
2 anticipate we're going to have this on the
3 September agenda.

4 CHAIRMAN LEARA: Okay. And was this a
5 relicensure?

6 MR. GREWACH: Yes, it is

7 CHAIRMAN LEARA: Yeah. Okay. All right.
8 Any questions for Mr. Grewach? Seeing none, thank
9 you. I'll make a motion to approve --

10 COMMISSIONER FINNEY: Second.

11 CHAIRMAN LEARA: -- Resolution No. 20-024.
12 Seconded by Mr. Finney. Any other discussion?
13 Seeing none, Angie?

14 MS. FRANKS: Commissioner Hane?

15 COMMISSIONER HANE: Approved.

16 MS. FRANKS: Commissioner Conway?

17 COMMISSIONER CONWAY: Approved.

18 MS. FRANKS: Commissioner Boulware?

19 COMMISSIONER BOULWARE: Approved.

20 MS. FRANKS: Commission Finney?

21 COMMISSIONER FINNEY: Approved.

22 MS. FRANKS: Chairman Leara?

23 CHAIRMAN LEARA: Approved.

24 MS. FRANKS: By your vote, you've adopted
25 Resolution 20-024.

1 CHAIRMAN LEARA: And the next item, No. 9,
2 disciplinary actions. Mr. Grewach?

3 MR. GREWACH: Yes. Under Tab H, we have a
4 preliminary order of discipline directed to
5 Harrah's Kansas City for follow-up audit findings.

6 Missouri Gaming Commission staff performs
7 regularly scheduled compliance audits of all the
8 casinos. This particular audit covered a time
9 period from May 1st, 2017, through March 31st,
10 2019.

11 During the audit, our Compliance Auditors
12 meet with casino management and discuss violations
13 as they are found. At the conclusion of the audit,
14 a written report is sent to casino management.

15 After that, a formal exit conference is
16 held in which the management's response or plans to
17 correct the violations are discussed. After that,
18 then a follow-up is done of -- by MGC staff.

19 This particular follow-up took place in
20 November of 2019. In the follow-up, there were two
21 significant audit findings that had not been
22 corrected.

23 The first dealt with the extension of
24 credit. The Legislation had authorized casinos to
25 extend credit to patrons, placed restrictions on

1 the amount of credit that could be advanced to a
2 patron.

3 The statute requires the casino to
4 establish an amount of the patron's
5 creditworthiness. For any credit instrument
6 advanced for less than \$10,000, the patron's credit
7 worthiness needs to be twice the amount of the
8 credit that's extended.

9 For example, if I want the casino to
10 extend credit to me for \$8,000, they need to have
11 documented \$16,000 worth of credit worthiness in
12 order to comply with the statute.

13 In the original finding, our staff found
14 three patrons had received a total of 17 temporary
15 credit increases in excess of the statutorily
16 required credit worthiness.

17 In the follow-up, we also found three
18 patrons who received a total of seven increases in
19 excess of that statutorily required credit
20 worthiness.

21 The second finding involved the clearing
22 of hands by employees in the count room. The rule
23 provides that any employee in the count room who
24 move his hand to the table or removes his hand from
25 the table must show the back of the palms of his

1 hands to the other employees and to the
2 surveillance video.

3 In the original finding, there was 37
4 percent of the time the employees failed to clear
5 their hands. The follow-up found that 54.6 percent
6 of the time, those employees failed to clear their
7 hands.

8 Staff recommended a fine of \$5,000. The
9 casino's response, they acknowledge the violation
10 and did not contest the amount of the fine.

11 CHAIRMAN LEARA: There was some history
12 here, though, correct, of this in the past?

13 MR. GREWACH: That is correct.

14 CHAIRMAN LEARA: This isn't the first
15 time. I am correct?

16 MR. GREWACH: That is correct.

17 CHAIRMAN LEARA: And there's a number of
18 times. I -- I -- I read that. And what is the
19 fine recommendation?

20 MR. GREWACH: \$5,000.

21 CHAIRMAN LEARA: I feel like there's a
22 history here, and there's been a couple of
23 statements in the past where we will resolve this
24 and the resolution did not come. Is that correct?

25 MR. GREWACH: I --

1 CHAIRMAN LEARA: We didn't have it
2 continue?

3 MR. GREWACH: When I -- when I look at --
4 the back of the -- the prior and similar cases --
5 now, I don't see a failing to clear hands prior for
6 this particular casino.

7 CHAIRMAN LEARA: Okay.

8 MR. GREWACH: I do find a prior audit
9 finding for a -- involving variances on fund
10 transfers. But we have had other cases. I -- I
11 hate to say that this is a fairly common finding
12 that we see.

13 CHAIRMAN LEARA: Okay. Thank you.

14 MR. GREWACH: Obviously, the numbers, you
15 know, concerned us a little bit. The last time in
16 February of 2018, we considered a follow-up audit
17 finding for this casino. There was one violation.
18 And that recommendation was \$2,500.

19 This time there were two, and the
20 representation is 5,000. Not that we stick to any
21 strict math formula. But just looking at the
22 nature of the violations, that's the staff's
23 rationale in recommending that.

24 CHAIRMAN LEARA: I would hope some of
25 these things are corrected because I don't think

1 the next time we see this re -- if there is a
2 recurrence, I'm not going to feel so generous as to
3 stay with that kind of a -- a fine --

4 MR. GREWACH: Understood.

5 CHAIRMAN LEARA: -- of 5,000. So I will
6 -- I will move to accept that recommendation. Is
7 there -- do you have some discussion, Dan?

8 COMMISSIONER FINNEY: I'll second that.

9 CHAIRMAN LEARA: Okay. Mr. Conway?

10 COMMISSIONER CONWAY: Not on that point.
11 But I do have a couple of questions on the credit.

12 CHAIRMAN LEARA: Please proceed. And so
13 we have a motion and a second. But we have
14 discussion, and you have a question.

15 COMMISSIONER CONWAY: I mean, it probably
16 won't affect the motion. On the credit worthiness,
17 when -- you know, you'll have to help me along
18 here. When did that statutory action come into
19 play?

20 MR. GREWACH: I'd like to call our
21 Compliance Audit Manager, Leshia Kempker.

22 MS. KEMPKER: Leshia Kempker, Compliance
23 Audit Manager. That statute was first changed in
24 August of 2014. And in August of 2016 is when they
25 instituted the limit of \$10,000.

1 COMMISSIONER CONWAY: Okay. Just out of
2 how the operation -- if the casino extends credit
3 to an individual, is the credit directed directly
4 from the casino, or is it from a separate banking
5 institution?

6 MR. GREWACH: It's directly from the
7 casino. The casino accepts the credit instrument.
8 And then that -- so it's a direct transaction
9 between casino and patron.

10 COMMISSIONER CONWAY: So it would have to
11 be like a direct deposit checking account or
12 something of that nature rather than them
13 establishing a credit that could -- would have to
14 be paid off on an extended manner rather than
15 directly out of their account?

16 MR. GREWACH: Our regulation requires that
17 the credit worthiness be established by balances in
18 their -- their direct deposit or daily deposit
19 accounts. I think Ms. Kempker could probably speak
20 for the mechanics of how that credit instrument --

21 CHAIRMAN LEARA: If you would. I think
22 that's an aspect that I remembered in the
23 Legislature, but I hadn't really given it much
24 thought. So --

25 MS. KEMPKER: Yeah. It has to be based on

1 their demand account. So their checking account.
2 That's what it is drawn on. So the patron writes a
3 check, and then the casino -- or the casino issues
4 a credit instrument, which is a counter check.

5 And then they either deposit it after 30
6 days, or the patron pays the counter check off, and
7 then it's just filed. It's not deposited in the
8 bank.

9 COMMISSIONER CONWAY: If they don't?

10 MS. KEMPKER: And if they don't?

11 COMMISSIONER CONWAY: Is that just a legal
12 matter between the player and the casino and --

13 MS. KEMPKER: Well, if they don't pay it,
14 then they deposit the counter check. And so then
15 it comes out of their account. If there aren't
16 funds in the account to pay the counter check, then
17 it becomes an issue for collections.

18 COMMISSIONER CONWAY: All right. Thank
19 you. Good to know.

20 CHAIRMAN LEARA: Thank you. Anyone else?
21 Okay. Seeing none, we have a motion and a second
22 for the approval of item, Disciplinary Action
23 20-036. Angie, please call the roll.

24 MS. FRANKS: Commissioner Hane?

25 COMMISSIONER HANE: Approved.

1 MS. FRANKS: Commissioner Conway?

2 COMMISSIONER CONWAY: Approved.

3 MS. FRANKS: Commissioner Boulware?

4 COMMISSIONER BOULWARE: Approved.

5 MS. FRANKS: Commissioner Finney?

6 COMMISSIONER FINNEY: Approved.

7 MS. FRANKS: Chairman Leara?

8 CHAIRMAN LEARA: Approved.

9 MS. FRANKS: But your vote, you've adopted
10 DA-20-036.

11 CHAIRMAN LEARA: Next item, St. Louis
12 Gaming Ventures, Discipline Action. Mr. Grewach?

13 MR. GREWACH: Thank you, Mr. Chairman.
14 This item is a preliminary discipline directed to
15 Hollywood Casino St. Louis for failure to make
16 necessary adjustments to progressive slot awards
17 and to correct variances that were found on those
18 as progressive slot jackpot awards.

19 A progressive is a bank of slot machines.
20 In this case, you'll see it referred to as a CQ
21 bank. This particular bank had ten machines.
22 Above that bank of machines is a display that shows
23 a progressive jackpot.

24 The patron plays their individual slot
25 machine, which pays off according to whatever the

1 slot machine pay-off would be. But for every
2 dollar that is played on that slot machine, a small
3 percentage of that increments or increases the
4 progressive jackpot amount. In this case, it was a
5 .0025 that -- of each dollar played would go into
6 the -- that increase.

7 The rule requires that the casino
8 reconcile on a weekly basis by taking the amount of
9 coin in, money paid -- played on the machine,
10 multiplying it by that .0025 or the -- whatever the
11 incremental basis is and then subtracting out the
12 jackpots.

13 If when they do that math calculation
14 there is a difference, they are required to
15 investigate that difference and then correct the
16 jackpot amount that's displayed on that progressive
17 display.

18 In this particular case, it came to our
19 attention in the course of a compliance audit. And
20 what we found, that there were five consecutive
21 weeks where the casino indicated that there was a
22 variance in this progressive bank between the
23 reconciliation and the amount displayed.

24 The casino indicated to us that they had
25 investigated and found no cause and, therefore, had

1 never under those circumstances had ever adjusted
2 the amount of the progressive jackpot.

3 When Missouri Gaming Commission personnel
4 brought it to the casino slot personnel, they
5 immediately went out, investigated the machine and
6 found a loose wire in one of the machines. They
7 fixed the wire, and that, in turn fixed the
8 incremental problem. And after that, the -- the
9 machine operated properly.

10 There were two jackpots that were won on
11 the progressive during the time period that these
12 variances were taking place. And those -- as a
13 result, those two winners did not receive the
14 appropriate amount of what they should have
15 received.

16 One patron -- and we don't know the exact
17 amount just because of the circumstances and the
18 math and where -- where during the time -- we don't
19 know when the variance took place. But we know one
20 patron was shorted some portion of \$19.24. Another
21 patron was shorted some portion of \$30.13.
22 So the staff recommendation in this case was a fine
23 of \$2,500. The casino, in its response,
24 acknowledged the violation and indicated it would
25 not contest that fine amount.

1 CHAIRMAN LEARA: Any questions?

2 COMMISSIONER FINNEY: Yeah. How did --
3 how did the issue with the loose wire come to our
4 attention?

5 MR. GREWACH: We -- we saw those five
6 weeks of variances. And -- and I may have to call
7 on Ms. Kempker again, but I believe we contacted
8 their -- their slot personnel, casino slot
9 personnel directly who then went and took a look
10 and found that loose wire.

11 I -- I think the significance of that fact
12 was they said they investigated it. But one call
13 from us to their, you know, slot technicians,
14 located the problem in a matter of an hour or two.
15 So, you know, it calls into question how thorough
16 their examination of the variances -- investigation
17 of the variances really was.

18 COMMISSIONER FINNEY: Were the patrons
19 given their money?

20 CHAIRMAN LEARA: I'd call on Leshia
21 Kempker for that, please.

22 MS. KEMPKER: Leshia Kempker, Compliance
23 Audit Manager. The two patrons who won the jackpot
24 during those five weeks, they were not given the
25 money. However. The casino did put the \$82 that

1 wasn't incremented on the display on the -- on the
2 display after we brought it to their attention.

3 So although those two patrons weren't
4 given some portion of what they were shorted,
5 another patron was paid that amount or multiple
6 patrons.

7 COMMISSIONER FINNEY: Okay.

8 MS. KEMPKER: They don't know exactly how
9 much each patron was shorted.

10 COMMISSIONER FINNEY: Any ballpark? It
11 sounds like it wasn't a whole lot of money.

12 MS. KEMPKER: The first one was shorted
13 somewhere between zero and \$19.24. It's hard to
14 tell during that week when that coin had
15 incremented, if it incremented before the patron
16 won that jackpot. So it could have incremented
17 after the patron won that jackpot and the patron
18 could have been shorted a minor 5 cents. But the
19 patron was paid what was on the display.

20 CHAIRMAN LEARA: Dan, let me interrupt and
21 then put this in your thought. Am I -- did I read
22 in here somewhere that for that to register a
23 failure of paying out an additional, let's use the
24 \$19 amount, wasn't it like a couple thousand
25 dollars that it failed to register?

1 MS. KEMPKER: Yes. For this --

2 CHAIRMAN LEARA: Okay. So it missed
3 several thousand dollars worth of gaming activity
4 by this loose wire. So while that translated in
5 \$19 to the bonus, did that have any impact to us on
6 any of our taxing or failing to register \$5,000
7 worth of activity?

8 MS. KEMPKER: No. Because that was just
9 the progressive controller.

10 CHAIRMAN LEARA: Okay.

11 MS. KEMPKER: So it was a loose wire to
12 the progressive controller that controls the
13 display.

14 CHAIRMAN LEARA: Okay. That \$5,000 -- I
15 think that was the number used in the report,
16 correct?

17 MS. KEMPKER: \$5,130.

18 CHAIRMAN LEARA: Okay. Thank you.

19 MS. KEMPKER: It registered in the slot
20 accounting system for tax purposes.

21 CHAIRMAN LEAR: I'm sorry?

22 MS. KEMPKER: It registered in the slot
23 accounting system. It just didn't register on the
24 progressive controller.

25 CHAIRMAN LEARA: Okay.

1 COMMISSIONER FINNEY: So why didn't they
2 discover their own loose wire again? I'm just
3 trying to figure this out. I mean, who doesn't
4 have a loose wire? We're all responsible for it.

5 MR. GREWACH: I think the only thing you
6 can conclude is that they didn't look before we
7 brought it to their attention. Didn't look
8 carefully enough.

9 COMMISSIONER FINNEY: Okay. I think it's
10 a little light.

11 CHAIRMAN LEARA: I do, too. I'll
12 entertain a motion.

13 COMMISSIONER FINNEY: Okay. I would move
14 to amend the resolution before us to double the
15 proposed fine to \$5,000.

16 CHAIRMAN LEARA: I'll second. Do we have
17 a discussion now on that? Mr. Boulware? Mr. Hane?
18 Mr. Conway?

19 COMMISSIONER HANE: Not from me.

20 COMMISSIONER BOULWARE: No.

21 CHAIRMAN LEARA: We have a motion and
22 second. No further discussion. Angie, call the
23 roll on the motion.

24 MS. FRANKS: Commissioner Hane?

25 COMMISSIONER HANE: Okay. I'm sorry.

1 What -- we're voting on the motion to -- to double
2 the fine? Is that correct?

3 MS. FRANKS: To amend the fine to \$5,000.

4 COMMISSIONER HANE: Okay. Approved.

5 MS. FRANKS: Commissioner Conway?

6 COMMISSIONER CONWAY: Approved.

7 MS. FRANKS: Commissioner Boulware?

8 COMMISSIONER BOULWARE: Approved.

9 MS. FRANKS: Commissioner Finney?

10 COMMISSIONER FINNEY: Approved.

11 MS. FRANKS: Chairman Leara?

12 CHAIRMAN LEARA: Approved.

13 MS. FRANKS: By your vote, you've adopted
14 DC-20-037 as amended.

15 CHAIRMAN LEARA: Do we have we approve the
16 entire or just the amendment? Did we approve the
17 motion?

18 MS. FRANKS: I --

19 CHAIRMAN LEARA: I think we approved an
20 amendment.

21 MS. FRANKS: Amendment.

22 CHAIRMAN LEARA: But I think we need to --
23 so now we're on the motion?

24 MS. FRANKS: Yes.

25 CHAIRMAN LEARA: Further discussion for

1 Mr. Grewach without a motion being made? Go.

2 COMMISSIONER CONWAY: Yes, sir. I just
3 want to make sure I'm right on the number you gave
4 us. The minimum carry-over amount the casino has
5 to include in a progressive is .0025 of \$1?

6 MR. GREWACH: It's set for every
7 progressive bank. So as in the rules that they
8 publish for this progressive, it could be whatever
9 incremental amount it was -- they want it to be.
10 In this particular bank, it was set at .0025.

11 COMMISSIONER CONWAY: Is that kind of
12 normal for the industry?

13 MR. GREWACH: Yes, it is. Yes.

14 CHAIRMAN LEARA: So that would be
15 one-fourth of a penny on a dollar slot, correct?

16 MR. GREWACH: Correct.

17 CHAIRMAN LEARA: Thank you.

18 MR. GREWACH: That's why you see that big
19 difference of \$5,000 coin in and \$19 of variance on
20 your progressive display.

21 COMMISSIONER CONWAY: All right.
22 Interesting. Thank you.

23 CHAIRMAN LEARA: Okay. Any other
24 discussion?

25 COMMISSIONER FINNEY: Yes.

1 CHAIRMAN LEARA: Mr. Finney.

2 COMMISSIONER FINNEY: Yes. I just wanted
3 to point out that my concern on this is the error
4 at the expense of the patrons that went undetected
5 really bugs me. And so that's why I proposed the
6 amendment, and that's why I am voting in the manner
7 that I will.

8 CHAIRMAN LEARA: Fair enough. All right.
9 I will move for the approval of Disciplinary Action
10 20-037 and look for a second.

11 COMMISSIONER FINNEY: Second.

12 CHAIRMAN LEARA: Second by Mr. Finney.
13 Any other discussion? Seeing none, Angie?

14 MS. FRANKS: Commissioner Hane?

15 COMMISSIONER HANE: Approved.

16 MS. FRANKS: Commissioner Conway?

17 COMMISSIONER CONWAY: Approved.

18 MS. FRANKS: Commissioner Boulware?

19 COMMISSIONER BOULWARE: Approved.

20 MS. FRANKS: Commissioner Finney?

21 COMMISSIONER FINNEY: Approved.

22 MS. FRANKS: Chairman Leara?

23 CHAIRMAN LEARA: Approved.

24 MS. FRANKS: By your vote, you've adopted
25 DC-20-037.

1 CHAIRMAN LEARA: Next item is
2 Consideration of Waiver of Licensure for
3 Institutional Investors. Ed?

4 MR. GREWACH: Yes. Under Tab J, we have
5 an application for waiver for an institutional
6 investor by BlackRock, Incorporated. Our rules
7 define a key business entity as any company that
8 owns 5 percent or more of a licensee.

9 So any company that owns 5 percent or more
10 of a licensee has two options. They can get
11 licensed as a business entity, or they can apply
12 for an institutional investor waiver.

13 To qualify for an institutional investor
14 waiver, the company has to hold the stock for
15 investment purposes only and not for the purpose of
16 causing directly or indirectly any changes in the
17 management policies or operation of the licensee,
18 and that they have no involvement in the business
19 activities.

20 The -- you'll see below, we also have two
21 other similar requests by T. Rowe Price and Cohen &
22 Steers Capital Management. We do look -- our
23 financial investigators do review the companies
24 themselves and to satisfy themselves that they are,
25 in fact, by their business model, institutional

1 investors.

2 BlackRock and T. Rowe Price, for example,
3 manage mutual funds. Typically, they would buy
4 this stock, bundle it with other stocks and into
5 mutual funds. Cohen & Steers is one that more
6 specializes real estate, some other different
7 unique types of investments.

8 And as a matter of fact, Cohen & Steers,
9 at this point in time, the company that they own
10 stock in is VICI, a real estate investment trust
11 that's licensed by the Commission, which is their
12 reason for applying for this waiver.

13 CHAIRMAN LEARA: Have we done this in the
14 past? Have we given a waiver to investment
15 companies like this?

16 MR. GREWACH: We have. We do this on a
17 very routine basis.

18 CHAIRMAN LEARA: And have we done it prior
19 for these companies?

20 MR. GREWACH: Yes. As a matter of fact, I
21 believe BlackRock and T. Rowe Price are both
22 reapplying. We don't have a renewal process. They
23 reapply every two years. And I believe Cohen &
24 Steers, this might be their first -- this is their
25 first -- they're -- they're a new applicant.

1 CHAIRMAN LEARA: That's why I asked
2 earlier, the representatives from Boyd, if they had
3 any Board positions, you know, any influence within
4 the company, and the answer to that was no. So
5 that would be expected.

6 MR. GREWACH: Correct.

7 CHAIRMAN LEARA: But sometimes we need to
8 hear that. Okay.

9 MR. GREWACH: Correct.

10 CHAIRMAN LEARA: Okay. And we're looking
11 at these one at a time, and they're three separate
12 resolutions?

13 MR. GREWACH: That's correct.

14 CHAIRMAN LEARA: Any discussion? Seeing
15 none, I'll move for the approval of Resolution
16 20-025. Hold on a second. Ed, are we going to go
17 through each one of those, or did we really go --
18 did you give us the full discussion on all three?

19 MR. GREWACH: I did. Yes. I have no --
20 nothing further to present.

21 CHAIRMAN LEARA: So we'll just roll the
22 three and go. All right. So I move -- we have a
23 motion look for a second on the first one,
24 BlackRock.

25 COMMISSIONER CONWAY: Second.

1 CHAIRMAN LEARA: Second by Mr. Conway.
2 Any discussion? Seeing none, Angie?
3 MS. FRANKS: Commissioner Hane?
4 COMMISSIONER HANE: Approve.
5 MS. FRANKS: Commissioner Conway?
6 COMMISSIONER CONWAY: Approve.
7 MS. FRANKS: Commissioner Boulware?
8 COMMISSIONER BOULWARE: Approved.
9 MS. FRANKS: Commissioner Finney?
10 COMMISSIONER FINNEY: Approve.
11 MS. FRANKS: Chairman Leara?
12 CHAIRMAN LEARA: Approved.
13 MS. FRANKS: By your vote, you've adopted
14 Resolution 20-025.
15 CHAIRMAN LEARA: All right. I now move
16 for the approval of Resolution 20-026 for T. Rowe
17 Price licensure waiver. Look for second?
18 COMMISSIONER FINNEY: Second.
19 CHAIRMAN LEARA: Second Mr. Finney. Any
20 discussion? Seeing none, Angie?
21 MS. FRANKS: Commissioner Hane?
22 COMMISSIONER HANE: Approved.
23 MS. FRANKS: Commissioner Conway?
24 COMMISSIONER CONWAY: Approved.
25 MS. FRANKS: Commissioner Boulware?

1 Commissioner Boulware? Commissioner Finney?

2 COMMISSIONER FINNEY: Approved.

3 COMMISSIONER BOULWARE: Approved.

4 MS. FRANKS: Chairman Leara?

5 CHAIRMAN LEARA: Approved.

6 MS. FRANKS: By your vote, you've adopted
7 Resolution No. 20-026.

8 CHAIRMAN LEARA: I will now move for the
9 approval of Resolution 20-027 And ask for a second,
10 waiver of Cohen & Steers licensure.

11 COMMISSIONER FINNEY: I'm sorry. Did
12 you --

13 CHAIRMAN LEARA: I moved for that. I
14 asked for second.

15 COMMISSIONER FINNEY: Second.

16 CHAIRMAN LEARA: Second Mr. Finney. Any
17 other discussion? Seeing none, Angie?

18 MS. FRANKS: Commissioner Hane?

19 COMMISSIONER HANE: Approved.

20 MS. FRANKS: Commissioner Conway?

21 COMMISSIONER CONWAY: Approved.

22 MS. FRANKS: Commissioner Boulware?

23 COMMISSIONER BOULWARE: Approved.

24 MS. FRANKS: Commissioner Finney?

25 COMMISSIONER FINNEY: Approved.

1 MS. FRANKS: Chairman Leara?

2 CHAIRMAN LEARA: Approved.

3 MS. FRANKS: By your vote, you've adopted
4 Resolution No. 20-027.

5 CHAIRMAN LEARA: All right. Mr. Grewach,
6 again, we're going to move on to Item XI,
7 Consideration of Settlement for Bingo Licensures.

8 MR. GREWACH: Thank you, Mr. Chairman.
9 Under Tab M, we have a resolution approving a
10 settlement of a disciplinary action against our
11 Bingo licensee, Loyal Order of Moose Lodge 1494
12 located in Sedalia, Missouri.

13 The Missouri Gaming Commission received a
14 complaint that the Lodge was conducting illegal
15 moose races and Wheel of Fortune games.

16 In December -- on December 5th, 2019,
17 Missouri Gaming Commission and Missouri State
18 Highway Patrol personnel conducted a premises
19 inspection.

20 They found, in fact, that the Lodge was
21 holding these mouse races in which there was a
22 cable across the room, and there was a paper
23 cut-out of a moose. And they would roll dice, and
24 the moose would move. And you'd bet on your moose,
25 and you would win or lose.

1 The Wheel of Fortune was a wheel -- three
2 different wheels spun. If the number -- three
3 numbers matched your membership number, you won.
4 you split the pot 50/50.

5 The -- the games on average, they were
6 held once a week. They would typically average \$18
7 for profit for the -- for the Lodge. We discussed
8 this with the -- with the Bingo licensee and
9 reached an agreement with the Lodge to pay \$100 out
10 of non-Bingo funds and to discontinue this practice
11 of the moose race and Wheel of Fortune game.

12 Pursuant to Rule 13.065, any settlement of
13 a Bingo license discipline needs Commission
14 approval, so we're presenting this resolution to
15 you at this time.

16 CHAIRMAN LEARA: Discussion? Mr. Finney?

17 COMMISSIONER FINNEY: Did they know what
18 they were doing was wrong?

19 MR. GREWACH: They -- they indicated that
20 they were some -- that it wasn't clear to them.
21 They said that they -- they really weren't clear
22 that this did constitute gambling. That was their
23 response or statement they made.

24 COMMISSIONER FINNEY: Did they make that
25 directly to you?

1 MR. GREWACH: They made that to the
2 Investigators.

3 COMMISSIONER FINNEY: And we believe them
4 on that? I don't mean to be flip here. I'm just
5 really trying to figure out, you know, what the
6 mensura --

7 MR. GREWACH: They're -- they made that in
8 a letter to us. And what they indicated, that --
9 that -- the obvious -- these are fundraisers. And
10 they say when we first took on Bingo, we were told
11 we'd have to give up any other form of gambling
12 such as card games, slot machines.

13 At that time, they say they asked about
14 moose races and Wheel of Fortune because they had
15 previously used them as fundraisers, and they say
16 they never got a clear-cut answer.

17 We don't really have any answer of them,
18 you know, making that inquiry of us. But that was
19 the written response we received from the Lodge
20 directed to that question.

21 CHAIRMAN LEARA: Who was the Investigator
22 on that?

23 MR. GREWACH: Corporal Howery and Barb
24 Whittle.

25 CHAIRMAN LEARA: Are either one here?

1 MR. GREWACH: I think Ms. Whittle is
2 present.

3 CHAIRMAN LEARA: Is?

4 MR. GREWACH: Is. She is. Yes.

5 CHAIRMAN LEARA: Yeah. If she could just
6 come up, I would appreciate that. I don't mean to
7 put her on the hot seat. But maybe she can give us
8 a little insight.

9 MS. WHITTLE: Barbara Whittle, Charitable
10 Games Manager for the Missouri Gaming Commission.

11 CHAIRMAN LEARA: So, I mean, did they --
12 did it seem like a genuine response?

13 MS. WHITTLE: I did not go on the
14 investigation. I have spoken to them on the phone.
15 I do believe that it was -- they -- I mean, in the
16 letter that they said, you know, they didn't get a
17 clear answer.

18 But the answer that we give everyone is
19 the three elements of gambling. I do believe that
20 they did not think that it was because of the small
21 nature and they were limiting it to people within
22 their organization. It wasn't open to anyone who
23 came in. It was just within their membership.

24 And so they thought that since it was
25 within their membership that it -- it didn't count.

1 So that was another thing that was discussed on the
2 phone. I do believe that they thought they were
3 not violating the law.

4 CHAIRMAN LEARA: Did you have something
5 else?

6 COMMISSIONER FINNEY: And the proceeds
7 from these games, where did they -- what were they
8 designed to go and where did they go?

9 MS. WHITTLE: To the general operations of
10 the Lodge.

11 COMMISSIONER FINNEY: Okay.

12 MS. WHITTLE: Separate from Bingo funds.

13 COMMISSIONER FINNEY: Were they submitting
14 -- were they paying the taxes on those or --

15 MS. WHITTLE: Those aren't legal games, so
16 there's no taxes on those.

17 COMMISSIONER FINNEY: But they were saying
18 that they were legal, right? I mean, that was the
19 position? I'm trying to understand. I apologize.
20 The position is these were legal games?

21 MR. GREWACH: That was their position. As
22 far as a tax -- these are tax exempt organizations,
23 so --

24 CHAIRMAN LEARA: Okay.

25 MR. GREWACH: -- they wouldn't have paid

1 income tax.

2 COMMISSIONER FINNEY: But they wouldn't
3 have paid tax through us either? This is -- okay.
4 This is a different game. I'm just -- this was a
5 violation of the law. But there were -- we're
6 reviewing it because of the licensure issue?

7 MR. GREWACH: Right. Any Bingo licensee
8 that allows illegal activity on their premises is
9 subject to discipline by us. So this was looked at
10 as a violation of Chapter 572, the criminal
11 gambling statute. And that's what subjected them
12 -- made them subject to discipline.

13 COMMISSIONER FINNEY: And were charges
14 filed? Or do you know if there have been any
15 criminal -- any action taken on this?

16 MR. GREWACH: No, no.

17 COMMISSIONER FINNEY: No, there isn't, or,
18 no, you don't know?

19 MR. GREWACH: I'm not aware of any.

20 MS. WHITTLE: I'm not aware of any either.

21 MR. GREWACH: I don't believe a referral
22 was made on the case.

23 COMMISSIONER FINNEY: And how did you come
24 up with the number?

25 MS. WHITTLE: This was taken, again, to

1 the Disciplinary Review Board just like the casinos
2 are. Because it was the first infraction for them,
3 this small amount of money that they took in, that
4 was the reason for the lower fine.

5 We do have to take action and record that
6 action, so if something happens in the future we
7 have a baseline to move up from.

8 COMMISSIONER FINNEY: Okay.

9 COMMISSIONER HANE: This is Commissioner
10 Hane. So as I understand it, Pettis County did not
11 file any charges; is that correct?

12 MS. WHITTLE: We did not send this
13 forward.

14 COMMISSIONER HANE: I'm sorry?

15 MS. WHITTLE: We did not send this
16 forward.

17 COMMISSIONER HANE: Okay. So this
18 particular violation was not presented to the
19 Pettis County Prosecutor for consideration of
20 filing criminal charges?

21 MR. GREWACH: Lieutenant Aylward may have
22 the answer to that we.

23 LIEUTENANT AYLWARD: Commissioner Hane,
24 I'll try to stay specific to this case. When we
25 send Investigators out to charitable organizations,

1 we have discussions with the local Prosecutor
2 covering the situation prior to or during, shortly
3 after, one of the three. Most of the time, it's
4 prior to to give them a heads-up.

5 And the determination is made between the
6 agency and the Prosecutor within that county. And
7 I can tell you that most of the time, for a
8 charitable organization in this situation, they are
9 not going to prosecute or they elect not to charge.
10 But they're -- we do discuss that, and that's an
11 option we talk about in the agency with the local
12 Prosecutor.

13 CHAIRMAN LEARA: Have you issued referrals
14 before to Prosecutors?

15 LIEUTENANT AYLWARD: We have.

16 CHAIRMAN LEARA: And that was brought --
17 not just charitable organizations. You do issue
18 referrals to Prosecutors --

19 MR. GREWACH: We have and we do.

20 CHAIRMAN LEARA: -- from the Gaming
21 Commission?

22 MR. GREWACH: Yes, sir. Now --

23 COMMISSIONER HANE: Okay.

24 MR. GREWACH: Typically, that would
25 involve us dealing with cases of a more significant

1 matter.

2 CHAIRMAN LEARA: Mr. Hane?

3 COMMISSIONER HANE: Thank you. That
4 answered my question.

5 CHAIRMAN LEARA: Okay. Thank you. Yeah.
6 Mr. Conway?

7 COMMISSIONER CONWAY: So had the
8 organization not had a Bingo license, the
9 Commission would not have been involved?

10 MR. GREWACH: That's correct.

11 COMMISSIONER CONWAY: Explain to me --
12 this is the question I get all the time. I was
13 going to ask you afterwards. But since you
14 mentioned it there, what do you have to do to have
15 the justification for a 50/50 pot?

16 Is that just strictly a non-profit, or do
17 you have to set up a corporation in order --
18 because the question comes to me, and I'm sure
19 you've got it time after time, is how can the
20 athletic professional organizations continue to do
21 the 50/50s.

22 MR. GREWACH: The Missouri Constitution
23 authorizations charitable and religious
24 organizations that are exempt from taxation with
25 the IRS to conduct raffles and sweepstakes.

1 So if this was a raffle or a sweepstakes
2 just like you typically see maybe at church or VFW
3 hold a raffle, then that's legal.

4 Where it's something like this when you're
5 betting on a roll of the dice or betting on a spin
6 of a wheel, it doesn't fit under the definition of
7 raffle or sweepstakes, so, therefore, it falls
8 outside of that legal protection.

9 COMMISSIONER CONWAY: So if they would
10 have put pulled a moose out of a hat, it would have
11 been legal rather than having the moose move
12 because of the roll of the dice?

13 MR. GREWACH: I would say that would be
14 correct.

15 COMMISSIONER FINNEY: Very good
16 distinction. Thank you.

17 CHAIRMAN LEARA: That's why we have you,
18 Pat.

19 COMMISSIONER FINNEY: Thank you,
20 Commissioner.

21 CHAIRMAN LEARA: All-righty, then. Any
22 other discussion, Mr. Conway?

23 COMMISSIONER CONWAY: Would I be out of
24 line to make an amendment to move the fine to \$10?

25 CHAIRMAN LEARA: Mr. Conway, you can make

1 an amendment any time you like.

2 COMMISSIONER CONWAY: I would make an
3 amendment to reduce the fine to \$10.

4 COMMISSIONER FINNEY: I'll second it.

5 CHAIRMAN LEARA: All right. Any
6 discussion on amendment to reduce the fine? I hear
7 none. So we have a motion to second. No further
8 discussion. Angie, call the roll on amending the
9 disciplinary action to \$10 dollar fine.

10 MS. FRANKS: Commissioner Hane?

11 COMMISSIONER HANE: Approve.

12 MS. FRANKS: Commissioner Conway?

13 COMMISSIONER CONWAY: Approved.

14 MS. FRANKS: Commissioner Boulware?

15 COMMISSIONER BOULWARE: Approved.

16 MS. FRANKS: Commissioner Finney?

17 COMMISSIONER FINNEY: Approved.

18 MS. FRANKS: Chairman Leara?

19 CHAIRMAN LEARA: Not approved. The motion
20 carries?

21 MS. FRANKS: I'm sorry. Yes. The motion
22 carries as amended to \$10.

23 CHAIRMAN LEARA: As amended.

24 MS. FRANKS: With the amended fine to \$10.

25 CHAIRMAN LEARA: Now, we move -- so it's

1 been amended to a \$10 fine. And I move for the --
2 or is there any other discussion on the overall
3 disciplinary action resolution? Seeing none, I
4 move for the adoption of Resolution 20-001-B, as in
5 Bravo. Second, anybody?

6 COMMISSIONER CONWAY: Second.

7 CHAIRMAN LEARA: Thank you. Mr. Conway
8 seconds. Any other discussion? Seeing none,
9 Angie?

10 MS. FRANKS: Commissioner Hane?

11 COMMISSIONER HANE: Approved.

12 MS. FRANKS: Commissioner Conway?

13 COMMISSIONER CONWAY: Approved.

14 MS. FRANKS: Commissioner Boulware?

15 COMMISSIONER BOULWARE: Approved.

16 MS. FRANKS: Commissioner Finney?

17 COMMISSIONER FINNEY: Approved.

18 MS. FRANKS: Chairman Leara?

19 CHAIRMAN LEARA: Approved.

20 MS. FRANKS: By your vote, you've adopted
21 Resolution 20-001-B.

22 CHAIRMAN LEARA: The next item is
23 Resolution No. 20-002-B, Bravo. Ed?

24 MR. GREWACH: Yes. This is a resolution
25 to approve a settlement with the Warrenton Elks

1 Lodge, who is a Bingo licensee.

2 In January of this year, we received a
3 complaint indicating that the Lodge was holding
4 Texas Hold Em poker tournaments every Thursday
5 night.

6 Investigation by Missouri State Highway
7 Patrol, Corporal Keith Howery, determined that
8 that, in fact, was true.

9 And -- and after some discussion, the fine
10 settlement was reached with staff for a \$500 fine
11 to be paid by the Lodge out of non-Bingo funds.

12 And corporal Howery's investigation
13 indicated that the game was played every Thursday
14 night. Consisted of 10 to 15 members. It cost \$6
15 to buy in. And then the chips were cashed out at
16 the bar after the game was concluded.

17 CHAIRMAN LEARA: Is the Corporal here?

18 MR. GREWACH: I have to ask -- he is in
19 the building, I believe. We can --

20 CHAIRMAN LEARA: Yeah. If we could. And
21 I'll just speak here a moment on that. So there
22 are some of these Texas Hold Em games, tournaments
23 for many thousand dollars in this state that happen
24 regularly. And discouraging that -- I don't know
25 the best way to do that. What is the fine here

1 proposed, Ed?

2 MR. GREWACH: \$500.

3 CHAIRMAN LEARA: Yeah. And I know that
4 it's \$6 buy-in. I just find that hard to believe
5 that you can have a Texas Hold Em and people would
6 come for a \$6 buy-in. But --

7 COMMISSIONER FINNEY: Well, this can
8 hardly be confused with pulling a moose out of a
9 hat. I mean, this is pretty clearly a violation of
10 the law, so I'm tempted to go up on this one.

11 CHAIRMAN LEARA: Well, and I hate to look
12 like we're --

13 COMMISSIONER FINNEY: But this is -- the
14 problem I have is poker is poker. There's no
15 confusion.

16 CHAIRMAN LEARA: There's no confusion.

17 COMMISSIONER FINNEY: They were way
18 outside of where they're supposed to be. So, you
19 know, I think a -- a stiffer penalty than we gave
20 where, you know, they're putting mice and racing
21 mice or whatever, I feel that that would be
22 appropriate in this case.

23 CHAIRMAN LEARA: So are we still looking
24 for the Corporal? That's fine. Ed, how many times
25 the past few years have we had disciplinary actions

1 for poker tournaments?

2 MR. GREWACH: Again, Barbara Whittle may
3 know that answer. Do you --

4 MS. WHITTLE: Do you want Keith, or do you
5 want me?

6 CHAIRMAN LEARA: Is this the Corporal?
7 Oh, yeah. Please step up. Yeah. Just -- this was
8 -- you investigated they case. Was there a Trooper
9 present that witnessed or -- this poker tournament?

10 CORPORAL HOWERY: No. It came in as a
11 complaint to --

12 CHAIRMAN LEARA: It was a complaint. But
13 no one witnessed it?

14 CORPORAL HOWERY: No, sir.

15 MS. WHITTLE: May I?

16 CHAIRMAN LEARA: Yeah. Please.

17 MS. WHITTLE: The complaint came from a
18 member of the organization. And when they sent
19 that complaint in, they, being their complaint, was
20 accompanied by calendars from the organization,
21 like their internal communications that shows their
22 weekly and monthly activities.

23 And so, I mean, they sent the calendar
24 showing that that was a recurring thing every
25 Thursday.

1 CHAIRMAN LEARA: So we think those numbers
2 are good numbers?

3 MS. WHITTLE: I believe that that was --

4 CHAIRMAN LEARA: Six dollars didn't mean
5 \$60?

6 MS. WHITTLE: I don't know about that. I
7 know when Keith went and interviewed them, that's
8 where the numbers came from. But the complaint
9 came in with a calendar from the organization
10 showing that that had been going on for quite some
11 time, the weekly poker game.

12 CHAIRMAN LEARA: Do you have anything else
13 to add, Corporal?

14 CORPORAL HOWERY: No, sir, I do not.

15 CHAIRMAN LEARA: Sorry to drag you up here
16 for that.

17 CORPORAL HOWERY: It's okay.

18 CHAIRMAN LEARA: But I think it's
19 important that we have the Investigator present
20 when we hear these cases, so thank you.

21 CORPORAL HOWERY: Yes, sir.

22 CHAIRMAN LEARA: Mr. Conway?

23 COMMISSIONER CONWAY: Going back to the
24 previous case, too, was this one referred to the
25 Prosecutor in the county?

1 CORPORAL HOWERY: No, sir.

2 COMMISSIONER CONWAY: Was -- was the game
3 held in connection with a Bingo evening or Bingo
4 night?

5 MS. WHITTLE: No.

6 CORPORAL HOWERY: No, sir.

7 COMMISSIONER CONWAY: So -- but since they
8 have a license, we have jurisdiction over what they
9 do 365 days a year?

10 MR. GREWACH: Yes. The -- the entire
11 premises of a Bingo licensee is licensed. So any
12 illegal activity anywhere on the premises on any
13 day constitutes a violation.

14 CHAIRMAN LEARA: But we're only
15 disciplining under 313. We're not doing any
16 criminal under 572. We can make a referral.

17 MR. GREWACH: Correct.

18 CHAIRMAN LEARA: But that's it. That's
19 why I asked you a little while ago if we make
20 referrals. Have we done referrals in the past?

21 CORPORAL HOWERY: I have not. But some of
22 the other --

23 CHAIRMAN LEARA: Who would do that?

24 CORPORAL HOWERY: The previous
25 Investigators have.

1 CHAIRMAN LEARA: Would it be from the
2 Gaming Commission? Or would it be from the Highway
3 Patrol Division?

4 CORPORAL HOWERY: It would be from the
5 Highway Patrol.

6 LIEUTENANT AYLWARD: The reason I stepped
7 up is because I'm Keith's supervisor.

8 CHAIRMAN LEARA: Yeah. Sure. Go ahead.

9 LIEUTENANT AYLWARD: And we direct the
10 actions of the ones within the Bingo section. So,
11 typically, what happens is, depending on the
12 violation of statute that's occurring,
13 communications are going on with the Prosecutor.

14 Keith has not been involved in one that's
15 been referred. But there's a team of Investigators
16 within the background unit that's currently formed
17 over the years. It's been a mixed number of
18 officers that all have had experience going to
19 different Lodges, and they actually also do coverts
20 with Missouri Gaming employees.

21 So depending on the situation or what the
22 complaint is, the fact of the matter in the Bingo
23 world is most of the complaints are patrons within
24 the same entity or a competing lodge within the
25 same town, and that's mostly what we deal with.

1 So when we go in and we do the interviews,
2 in this case, there wasn't a referral made because
3 of the amount of money that was included.
4 Typically, the referrals we do make, again, involve
5 crimes that would be -- I don't want to use the
6 word elevated.

7 But I know that in the past, any stealing
8 offense that we have, we -- we talk to the
9 Prosecutor about, and those have been referred.

10 Typically, for various reasons, within the
11 State, they decline also on poker games. And
12 that's not to say that we should make a referral
13 regardless, but we give them the opportunity prior
14 to if we're taking a ache criminal referral.

15 Because our opinion, I think, in talking
16 as an agency is it's handled on the administrative
17 side by the Gaming Commission.

18 COMMISSIONER FINNEY: Do we know how long
19 this game was going on? Or Lieutenant? I'm
20 sorry. Do you know how long this was taking
21 plate?

22 CORPORAL HOWERY: I do not. All I know is
23 it was on the monthly calendar when this was
24 scheduled.

25 COMMISSIONER FINNEY: Do we have any idea

1 how much the proceeds were from any given game?

2 CORPORAL HOWERY: I do not.

3 COMMISSIONER FINNEY: Okay.

4 LIEUTENANT AYLWARD: Can I make one more
5 comment?

6 COMMISSIONER FINNEY: Sure.

7 LIEUTENANT AYLWARD: In the realm of
8 illegal poker, I will say, in my experience as
9 supervisor in the past six years, 100 percent of
10 the time that we have gone to investigation, the
11 Lodge -- depending upon who we made contact with,
12 they are 100 percent cooperative because they know
13 they have a gaming license with the Missouri Gaming
14 Commission.

15 And in some cases, they've even handed
16 over a year of records that they have and books.
17 And the only reason I bring that up is because
18 earlier, Commissioner, you asked about do you
19 believe them?

20 So I rely on the experience of our
21 investigators and their interview processes to
22 determine whether somebody is -- they believed it
23 was happening or saying, no, they're trying to
24 cover something up with the investigative process.
25 So we take that into consideration, too.

1 COMMISSIONER FINNEY: Sure. The problem I
2 have with this situation is they're booking an
3 illegal poker game. And there's just no gray line
4 on that. And they were keeping some proceeds from
5 that book.

6 And, you know, I look at this and say,
7 well, what would be appropriate? Well, at least
8 forfeiting whatever they made off the game. Now,
9 we don't know what they made. I'm not saying
10 that's anybody's fault. But, you know, there was a
11 line. It wasn't confusing as to what that line
12 was.

13 And just because they're non-profit or
14 Bingo, it doesn't give them license to go over that
15 line. It's as illegal as if this was being run by
16 unsavory characters. And that really bothers me.
17 And I would submit to the Commission that this fine
18 is too low in this particular case.

19 MR. GREWACH: If I may, just as a
20 procedural point. In the prior case, you approved
21 a fine less than the settlement amount, so it
22 didn't present any problem. Here, the settlement
23 amount is \$500.

24 So if you believe it's too low,
25 procedurally, your step would be to be reject the

1 settlement. Then we would be back to Square 1.

2 If we would come up with a different
3 settlement, we could present it to you, or we could
4 go forward with a hearing through the
5 Administrative Hearing Commission.

6 I can give you an outline of the
7 settlement negotiations. Our first demand was a
8 thousand dollar fine in the cancellation of one
9 Bingo occasion.

10 The Lodge came back with a proposal of a
11 \$200 fine and no lost Bingo occasions. And so this
12 \$500 fine was the result of that settlement
13 negotiation process.

14 COMMISSIONER FINNEY: Thanks, Ed.

15 CHAIRMAN LEARA: Any comments from other
16 Commissioners? Thank you. I will move for the
17 approval of Resolution 20-002-B as stands. Ask for
18 a second.

19 COMMISSIONER FINNEY: Second.

20 CHAIRMAN LEARA: Second by Mr. Finney.
21 Any other discussion? Seeing none, Angie?

22 MS. FRANKS: Commissioner Hane?

23 COMMISSIONER HANE: Approved.

24 MS. FRANKS: Commissioner Conway?

25 COMMISSIONER CONWAY: Approved.

1 MS. FRANKS: Commissioner Boulware?

2 COMMISSIONER BOULWARE: Approved.

3 MS. FRANKS: Commissioner Finney?

4 COMMISSIONER FINNEY: Approved.

5 MS. FRANKS: Chairman Leara?

6 CHAIRMAN LEARA: Approved.

7 MS. FRANKS: By your vote, you've adopted
8 Resolution No. 20-002-B.

9 MR. GREWACH: Thank you.

10 CHAIRMAN LEARA: Thank you, Mr. Grewach.

11 I will now make a motion for closed meeting under
12 Section 313.847 of the Revised Statutes of
13 Missouri, Investigatory, Proprietary and
14 Application Records and Under Section 610.021(1) of
15 the Revised Statutes of Missouri, Legal Actions and
16 Matters Subject to Attorney/Client Privilege, (3)
17 and (13) Personnel, (12) Contracts and (14) Records
18 Protected from Disclosure by Law and ask for a
19 second.

20 COMMISSIONER FINNEY: Second.

21 CHAIRMAN LEARA: Second Mr. Finney. Any
22 discussion? Seeing none, Angie, please call the
23 roll.

24 MS. FRANKS: Commissioner Hane?

25 COMMISSIONER HANE: Approved.

1 MS. FRANKS: Commissioner Conway?

2 COMMISSIONER CONWAY: Approved.

3 MS. FRANKS: Commissioner Boulware?

4 COMMISSIONER BOULWARE: Approved.

5 MS. FRANKS: Commissioner Finney?

6 COMMISSIONER FINNEY: Approved.

7 CHAIRMAN LEARA: Chairman Leara?

8 MS. FRANKS: Approved.

9 CHAIRMAN LEARA: The motion carries. We
10 will now go into closed session. Thank you, all.

11 (The proceedings were concluded at 10:45 a.m. on
12 August 26, 2020.)

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MISSOURI GAMING COMMISSION
Second Open Session Minutes
August 26, 2020

The Missouri Gaming Commission (the “Commission”) went into the second open session at approximately 11:35 a.m. on August 26, 2020, at the Missouri Gaming Commission, 3417 Knipp Drive, Jefferson City, Missouri.

Lieutenant Ed Aylward of the Missouri State Highway Patrol Gaming Division presented an overview of the investigation process for Class A and Class B licensees, Key Business Entities, Key Persons and Level I individual applicants, as well as Charitable Gaming and initial Fantasy Sports Operator licensing investigations.

General Counsel Ed Grewach gave a presentation concerning the burden of proof for applicants for a gaming license, the criteria required for applicants for the various riverboat gaming licenses, supplier licenses, and occupational licenses. He also discussed the legal process involved when the Commission denies a license application. No motion, vote, or action was taken.

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

The meeting ended at 12:55 p.m.