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1 BEFORE THE MISSOURI GAMING COMMISSION

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5 MEETING

6 AT MISSOURI GAMING COMMISSION

7 3417 KNIPP DRIVE

8 JEFFERSON CITY, MISSOURI 65109

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12 DATE TAKEN: APRIL 27, 2022

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14 STATE TIME: 9:30 a.m.

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1 A P P E A R A N C E S

2 COMMISSIONERS:

3 MIKE LEARA, Chairman

4 DAVID W. HANE, Commissioner

5 PAT CONWAY, Commissioner

6 JAN ZIMMERMAN, Commissioner (Via Zoom)

7 ANGIE FRANKS, Commission Assistant

8 EDWARD J. GREWACH, General Counsel

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20 Court Reporter:

21 MS. JOANN RICHARDSON

22 Lexitas Legal

23 711 N. 11th Street

24 St. Louis, Missouri 63101

25 (314) 644-2191

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

2 CHAIRMAN LEARA: Angie, please call the
3 roll.

4 MS. FRANKS: Chairman Leara.

5 CHAIRMAN LEARA: Present.

6 MS. FRANKS: Commissioner Conway.

7 COMMISSIONER CONWAY: Present.

8 MS. FRANKS: Commissioner Hane.

9 COMMISSIONER HANE: Present.

10 MS. FRANKS: Commissioner Zimmerman.

11 COMMISSIONER ZIMMERMAN: Present.

12 CHAIRMAN LEARA: All right. We have a
13 quorum. The first item on the agenda is adoption of the
14 agenda. I move for the approval. Is there a second?

15 COMMISSIONER CONWAY: Second.

16 CHAIRMAN LEARA: Second, Mr. Conway.

17 Any discussion?

18 Seeing none, Angie, call the roll.

19 MS. FRANKS: Chairman Leara.

20 CHAIRMAN LEARA: Approved.

21 MS. FRANKS: Commissioner Conway.

22 COMMISSIONER CONWAY: Approved.

23 MS. FRANKS: Commissioner Hane.

24 COMMISSIONER HANE: Approved.

25 MS. FRANKS: Commissioner Zimmerman.

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1 COMMISSIONER ZIMMERMAN: Approved.

2 MS. FRANKS: By your vote, you have adopted
3 the agenda.

4 CHAIRMAN LEARA: The next item on the agenda
5 is team member recognition. I assume that's Tim.

6 You have the floor.

7 MR. McGRAIL: Thank you. Good morning.

8 If I could have Kathy Cardenas come forward.

9 So part of the recognition we do at
10 Commission meetings is recognize, in part, milestone
11 years of service. And today we have Kathy Cardenas that
12 has 10 years with the Missouri Gaming Commission.

13 So Kathy is our paralegal. She works very
14 closely with Ed and keeps track of Ed most of the time
15 for us. Handles a lot of the legal documents and such.
16 So she does a very good job. Especially, again, she
17 laughs at my puns. Nobody else does, but she does
18 whenever we're in meetings. So I always appreciate
19 that, because I can always get a laugh out of Kathy on
20 whatever I say.

21 So for 10 years of service, I'd like to
22 recognize Kathy on her dedicated service to the Missouri
23 Gaming Commission.

24 Also, I do want to recognize as well, we
25 started -- the Judge has started and I'm going to

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1 follow-up -- and this is on behalf of the Judge. We do
2 have a -- okay.

3 (Discussion by reporter.)

4 MR. McGRAIL: I do want to recognize as well
5 on behalf of the Judge, we're going to give her a
6 challenge chip. It's not the coin. We can't afford the
7 coins, but we do have a challenge chip that has the MGC
8 emblem on it and also our core values, which is, again,
9 service, integrity, and professionalism.

10 So on behalf of the Judge, congratulations.

11 CHAIRMAN LEARA: Thank you.

12 Congratulations.

13 Next item on the agenda, consideration of
14 minutes from March 29th of this year. I move for the
15 approval. Is there a second?

16 COMMISSIONER ZIMMERMAN: Second.

17 CHAIRMAN LEARA: We have a second.

18 Any discussion?

19 Seeing none, Angie, call the roll.

20 MS. FRANKS: Chairman Leara.

21 CHAIRMAN LEARA: Approved.

22 MS. FRANKS: Commissioner Conway.

23 COMMISSIONER CONWAY: Approved.

24 MS. FRANKS: Commissioner Hane.

25 COMMISSIONER HANE: Approved.

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1 MS. FRANKS: Commissioner Zimmerman.

2 COMMISSIONER ZIMMERMAN: Approved.

3 MS. FRANKS: By your vote, you've adopted
4 the minutes of the March 29th, 2022 meeting.

5 CHAIRMAN LEARA: Next item, consideration of
6 minutes from March 30th, 2022. I move for the approval.
7 Is there a second?

8 COMMISSIONER CONWAY: Second.

9 CHAIRMAN LEARA: Second.

10 Any discussion?

11 Seeing none, Angie, call the roll.

12 MS. FRANKS: Chairman Leara.

13 CHAIRMAN LEARA: Approved.

14 MS. FRANKS: Commissioner Conway.

15 COMMISSIONER CONWAY: Approved.

16 MS. FRANKS: Commissioner Hane.

17 COMMISSIONER HANE: Approved.

18 MS. FRANKS: Commissioner Zimmerman.

19 COMMISSIONER ZIMMERMAN: Approved.

20 MS. FRANKS: By your vote, you've adopted
21 the minutes of the March 30th, 2022 meeting.

22 CHAIRMAN LEARA: Next item on the agenda
23 Interblock transaction. We'll just call it that.

24 Mr. Grewach, you have the floor.

25 MR. GREWACH: Yes. Rob Cantwell will be

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1 presenting on behalf of his client. This is a
2 follow-up. This issue was discussed at the last
3 meeting. There were some questions that we would ask
4 more information from Mr. Cantwell's clients and he's
5 provided that, which you have on the dais.

6 And so I would just call on Mr. Cantwell.

7 MR. CANTWELL: Chairman Leara,
8 Commissioners, Judge and staff, good morning. I
9 appreciate the opportunity to be before you today again
10 to discuss the Interblock transaction and a proposed
11 temporary approval for various elements of the
12 transaction.

13 My name is Robert Cantwell from the firm
14 Lathrop GPM and I represent Interblock and Oaktree and
15 its various funds in connection with this proposed
16 transaction.

17 In our last meeting, we went through the
18 details of the transaction. There was a lot of
19 complexities and there were some very good questions by
20 Chairman, yourself, and your Commissioners and the Judge
21 as well.

22 And we put in some work in the interim to
23 try to get you additional information, all very good
24 questions, mainly about what is above the economic
25 equity side of the proposed structure.

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1 Hopefully we've given you some insight into
2 what resides over there. I'm not going to belabor the
3 matter, because I think I did a lot of that at the last
4 meeting, and your patience and your staff's
5 professionalism, again, is very much appreciated and
6 very impressive.

7 Missouri, there's no question, has more
8 information about this transaction than any other
9 jurisdiction. And, again, I really do believe the
10 questions were on point, focused on what our regulations
11 required. And so I appreciate the opportunity to get
12 you that information.

13 What I will say is, these approvals that are
14 required under our regulations as variances to get the
15 transaction to move forward on a timely basis, these
16 approvals are of a temporary nature. So the resolution
17 that's proposed to allow for this simply allows the
18 suitability investigation to go forward in connection
19 with the transaction close.

20 So if, during that suitability
21 investigation, through looking, let's say, above the
22 economic side on the equity structure at Oaktree Capital
23 Management, LP level, if it's determined by your, you
24 know, excellent investigative staff that some individual
25 or entity needs to fall into place in the suitability

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1 investigation, whether as an applicant or more serious
2 investigation or interview, Oaktree is committed to
3 making all that available to you and your staff.

4 And in addition, just to reiterate from the
5 last meeting, if there were to become an issue -- and,
6 again, your staff would be the best to figure it out --
7 the -- unlike in some other circumstances, with this
8 supplier and this particular supplier, we are able to
9 exit from the state if that needs to be the decision
10 made by the Commissioners at any time in the future.

11 So I'm happy to answer any questions and
12 appreciate, again, your time and effort all the way up
13 until yesterday. So I really appreciate it.

14 CHAIRMAN LEARA: Thank you, Mr. Cantwell,
15 especially for being efficient and responsive to our
16 questions, as you mentioned, up through yesterday. So
17 it's been helpful and it adds a level of comfort to at
18 least go forward on a temporary basis.

19 But I will note, the waiver of institutional
20 investors, I don't think that's temporary, is it?

21 MR. GREWACH: It's temporary to the extent
22 that there's a provision in the resolution and the rule
23 itself that the Commission can, at any time, with or
24 without cause, require any of the Oaktree entities to be
25 licensed.

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1 CHAIRMAN LEARA: Okay. Fair enough.

2 MR. CANTWELL: So -- and to be clear on that
3 point, if there were to -- if there was to be a feeling
4 that Oaktree Capital Management, LP did need to file and
5 expose itself to suitability, again, that would probably
6 be an impossibility for that entity, but that's one way
7 for the Commissioners to sort of have a pressure release
8 valve on the entire structure and make its position
9 final.

10 CHAIRMAN LEARA: So I have a question or
11 two, but I'm going to let these other Commissioners go
12 first if they have any.

13 Mr. Conway, Mr. Hane, Commissioner
14 Zimmermann, are you okay?

15 COMMISSIONER ZIMMERMAN: I am.

16 CHAIRMAN LEARA: Okay.

17 So I noticed -- and it may have been a
18 communication from either late yesterday or very
19 recently -- that you noted Oaktree is a public fund. Is
20 it a publicly traded company?

21 MR. CANTWELL: Yes.

22 CHAIRMAN LEARA: It is a publicly traded
23 company and the fund is open to the public, also?

24 MR. CANTWELL: Correct. It has two sort of
25 divisions, you could call them. One is the publicly

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1 traded aspect, and then our column or our segment is in
2 the private equity side. So it's a private investment
3 fund with only certain participants allowed.

4 CHAIRMAN LEARA: Okay. That's all the
5 questions I have.

6 Anyone else?

7 Anything else to add, Rob?

8 MR. CANTWELL: Just, again, really
9 appreciate the professionalism. Your staff knows how to
10 investigate.

11 CHAIRMAN LEARA: All right. Thank you.

12 Mr. Grewach, did you have anything to add
13 before we move?

14 MR. GREWACH: I do not, Chair.

15 CHAIRMAN LEARA: Okay.

16 COMMISSIONER CONWAY: Can I ask Ed a
17 question? It seems that we are getting more requests
18 for variances for institutional investment in recent
19 years. Am I out of line there? Or prior to us assuming
20 these positions, has there been a continual request for
21 variance?

22 MR. GREWACH: I could not tell you that
23 without doing a little more research to look at the
24 volume. Many of the institutional investor waivers that
25 are presented to you are renewals that get renewed every

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1 two years.

2 So, now, the two on the agenda today are
3 new, but we'd have to go through and look through for
4 each institutional investor when it first applied. But
5 the reason that it comes up fairly often on the -- on
6 your agendas is because they do have to renew every two
7 years.

8 CHAIRMAN LEARA: Okay. Thank you.

9 Any other questions?

10 Seeing none, I will move for the approval of
11 Resolution No. 22-019 and request for temporary key
12 business entity and key person licenses.

13 Is there a second?

14 COMMISSIONER HANE: Second.

15 CHAIRMAN LEARA: Second, Mr. Hane.

16 Any discussion?

17 Seeing none, Angie, call the roll.

18 MS. FRANKS: Chairman Leara.

19 CHAIRMAN LEARA: Approved.

20 MS. FRANKS: Commissioner Conway.

21 COMMISSIONER CONWAY: Approved.

22 MS. FRANKS: Commissioner Hane.

23 COMMISSIONER HANE: Approved.

24 MS. FRANKS: Commissioner Zimmerman.

25 COMMISSIONER ZIMMERMAN: Approved.

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1 MS. FRANKS: By your vote, you've adopted
2 Resolution No. 22-019.

3 CHAIRMAN LEARA: Next item on the agenda,
4 request for variance for institutional waiver.
5 Resolution No. 22-020. I move for the approval.

6 Is there a second?

7 COMMISSIONER HANE: Second.

8 CHAIRMAN LEARA: Second, Mr. Hane.

9 Any other discussion?

10 Seeing none, Angie, call the roll.

11 MS. FRANKS: Chairman Leara.

12 CHAIRMAN LEARA: Approved.

13 MS. FRANKS: Commissioner Conway.

14 COMMISSIONER CONWAY: Approved.

15 MS. FRANKS: Commissioner Hane.

16 COMMISSIONER HANE: Approved.

17 MS. FRANKS: Commissioner Zimmerman.

18 COMMISSIONER ZIMMERMAN: Approved.

19 MS. FRANKS: By your vote, you've adopted
20 Resolution No. 22-020.

21 CHAIRMAN LEARA: Next item on the agenda,
22 requests of waiver for licensure of institutional
23 investors. Resolution No. 22-021. I move for the
24 approval.

25 Is there a second?

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1 COMMISSIONER ZIMMERMAN: Second.

2 CHAIRMAN LEARA: We're going to give

3 Commissioner Zimmerman, that one. We have a second.

4 Any discussion?

5 Seeing none, Angie, call the roll.

6 MS. FRANKS: Chairman Leara.

7 CHAIRMAN LEARA: Approved.

8 MS. FRANKS: Commissioner Conway.

9 COMMISSIONER CONWAY: Approved.

10 MS. FRANKS: Commissioner Hane.

11 COMMISSIONER HANE: Approved.

12 MS. FRANKS: Commissioner Zimmerman.

13 COMMISSIONER ZIMMERMAN: Approved.

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

15 Resolution No. 22-021.

16 CHAIRMAN LEARA: Next item on the agenda,

17 joint petition for approval of change in control.

18 Resolution No. 22-022. I move for the approval.

19 Is there a second?

20 COMMISSIONER HANE: Second.

21 CHAIRMAN LEARA: Second, Mr. Hane.

22 Any discussion?

23 COMMISSIONER CONWAY: Well, if Mr. Cantwell

24 wants to come back again next month, we could put this

25 one on hold, it seems. No, that's -- thank you for --

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1 thank you for walking us through this. I appreciate
2 that.

3 MR. CANTWELL: Happy to do it.

4 CHAIRMAN LEARA: All right. So we have a
5 motion, a second.

6 Any other discussion?

7 Seeing none, Angie, call the roll.

8 MS. FRANKS: Chairman Leara.

9 CHAIRMAN LEARA: Approved.

10 MS. FRANKS: Commissioner Conway.

11 COMMISSIONER CONWAY: Approved.

12 MS. FRANKS: Commissioner Hane.

13 COMMISSIONER HANE: Approved.

14 MS. FRANKS: Commissioner Zimmerman.

15 COMMISSIONER ZIMMERMAN: Approved.

16 MS. FRANKS: By your vote, you've adopted
17 Resolution No. 22-022.

18 CHAIRMAN LEARA: Next item on the agenda,
19 consideration of waiver of licensure for institutional
20 investor. This would be Eagle Asset Management,
21 Incorporated.

22 Mr. Grewach?

23 MR. GREWACH: Thank you.

24 Mr. Chairman, Commissioners, under Tab G, we
25 have a request by Eagle Asset Management, Incorporated

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1 for a waiver for an institutional investor. The Eagle
2 Management is -- owns 5.69 percent of Everi Holdings
3 Incorporated, which is a licensed key business entity of
4 Everi Gaming Incorporated.

5 The company is a subsidiary of Raymond James
6 Financial, Incorporated, which provides financial and
7 investment services. Raymond James Financial,
8 Incorporated, is a publicly traded company.

9 CHAIRMAN LEARA: Any discussion?

10 Seeing none, I move for the approval of
11 Resolution No. 22-023 for waiver for Eagle Asset
12 Management.

13 Is there a second?

14 COMMISSIONER CONWAY: I'll second.

15 CHAIRMAN LEARA: Second, Mr. Conway.

16 Any other discussion on the motion?

17 Seeing none, Angie, call the roll.

18 MS. FRANKS: Chairman Leara.

19 CHAIRMAN LEARA: Approved.

20 MS. FRANKS: Commissioner Conway.

21 COMMISSIONER CONWAY: Approved.

22 MS. FRANKS: Commissioner Hane.

23 COMMISSIONER HANE: Approved.

24 MS. FRANKS: Commissioner Zimmerman.

25 COMMISSIONER ZIMMERMAN: Approved.

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1 MS. FRANKS: By your vote, you've adopted
2 Resolution No. 22-023.

3 CHAIRMAN LEARA: Next item on the agenda,
4 No. H, State Street Corporation resolution.

5 Ed Grewach.

6 MR. GREWACH: Yes. We have State Street
7 Corporation's application for a waiver for an
8 institutional investor. They own 5.01 percent of
9 Aristocrat Leisure Limited, who is a licensed supplier.
10 State Street Corporation is a business which offers,
11 among other things, investment management services.
12 They are a publicly traded company.

13 CHAIRMAN LEARA: Any discussion?

14 Yes, Mr. Conway.

15 COMMISSIONER CONWAY: Okay. Going back to
16 my original question on the previous one.

17 MR. GREWACH: Yes.

18 COMMISSIONER CONWAY: So we're -- the 5.01,
19 what is the minimum percentage level where they have to
20 ask for a waiver?

21 MR. GREWACH: Any company or any person that
22 owns more than 5 percent of a licensee needs to either
23 get licensed or get an institutional investor waiver.
24 So 5 percent is the mark.

25 COMMISSIONER CONWAY: So considering that

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1 these are coming up in renewals, is there anything in
2 our regulations on the percentage? Does the staff feel
3 that the percentage is correct and accurate, Judge, or
4 has there been any consideration of an increase in the
5 percentage? If it's 5.01, I mean, it's close. So where
6 do -- where historically -- or where do you think we
7 should stand on that aspect?

8 MR. GREWACH: Well, we -- and I -- without
9 looking back to the history of the rule, I mean, it's
10 been the 5 percent for the entire time I've been here.
11 And to my knowledge, it's always been 5 percent. Every
12 state has some form of this. I -- you know, we have --
13 we can take a survey of other states and see where they
14 start.

15 But the philosophy is that when you own some
16 percent of the company, then you're going to be in a
17 position to have some control over it. I remember
18 reading in the news about Mr. Boscoh owned a certain
19 percentage of Twitter and, you know, that gave him some
20 significant advantage to direct things.

21 So that's what the question is. What
22 percentage do you own? The 5 percent is just -- is a
23 number just selected. I mean, we can move it one way or
24 the other, depending on what the Commission would like.
25 If the Commission would like, we could certainly look

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1 into that.

2 We are actually looking at making some
3 changes to Chapter 4 of the entire licensing chapter in
4 our rules and we certainly could look into this at that
5 same time.

6 CHAIRMAN LEARA: I'll add a little bit to
7 that. So for this example that we're on now, State
8 Street is a mutual fund company and they have a
9 securities division. It's a Wall Street firm. And this
10 is likely going into one of their funds, is what it is.

11 While the influence of State Street has
12 no -- the management is likely to have zero desire in
13 getting involved and they just want to increase their
14 ownership in Everi; is that correct?

15 MR. GREWACH: That's what --

16 CHAIRMAN LEARA: Typically, the person that,
17 in theory, could have some control would be either the
18 portfolio manager of the fund that's -- whichever one is
19 acquiring 5.01 to 5.69 percent. Is that what they're
20 doing?

21 MR. GREWACH: Yes. Yes.

22 CHAIRMAN LEARA: So -- but the -- there
23 again, the portfolio managers, there would be conflicts
24 of them trying to influence Everi Holdings. It's just
25 -- it's highly unlikely and that's why we'll see this.

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1 But they'll have -- someone like State Street may have
2 600 mutual funds and five of their funds could have
3 ownership in numerous gambling operations that would
4 come before us on a repetitive basis. We'd have to see
5 for each one of those holdings -- is that right? -- the
6 waiver.

7 MR. GREWACH: That's correct.

8 CHAIRMAN LEARA: And we're not just giving
9 State Street a waiver, we're giving them a waiver on
10 this one position?

11 MR. GREWACH: Now, once we give it, they can
12 go up to 20 percent --

13 CHAIRMAN LEARA: That's right.

14 MR. GREWACH: -- for this company.

15 CHAIRMAN LEARA: Right. So I think the
16 5 percent trigger is a good number, but I'm welcome to
17 have that discussion.

18 JUDGE RICHARDSON: Chairman, Commissioners,
19 the other thing is, is on institutional waiver, you
20 know, they state, and it is part of the waiver, that
21 they will have no management control, that their
22 interest is passive only. So they couldn't exercise
23 that control even if they wanted to. It's part of the
24 waivers, that they would be passive only.

25 COMMISSIONER CONWAY: Okay.

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1 CHAIRMAN LEARA: Okay. Any more on State
2 Street resolution?

3 Seeing none, I move for the approval of
4 Resolution No. 22-024.

5 And is there a second?

6 COMMISSIONER HANE: Second.

7 COMMISSIONER ZIMMERMAN: Second.

8 CHAIRMAN LEARA: Commissioner Hane, second.

9 Any other discussion?

10 Seeing none, Angie, call the roll.

11 MS. FRANKS: Chairman Leara.

12 CHAIRMAN LEARA: Approved.

13 MS. FRANKS: Commissioner Conway.

14 COMMISSIONER CONWAY: Approved.

15 MS. FRANKS: Commissioner Hane.

16 COMMISSIONER HANE: Approved.

17 MS. FRANKS: Commissioner Zimmerman.

18 COMMISSIONER ZIMMERMAN: Approved.

19 MS. FRANKS: By your vote, you've adopted
20 Resolution No. 22-024.

21 CHAIRMAN LEARA: Next item on the agenda,
22 No. VIII, consideration of relicensure of certain
23 suppliers, first one being Ainsworth Game Technology.

24 MR. SEATON: Mr. Chairman and Commissioners,
25 Missouri State Highway Patrol officers and Missouri

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1 Gaming Commission financial investigators conducted two
2 supplier license renewal investigations for the purpose
3 of assisting the Commission in determining the continued
4 suitability of Ainsworth Game Technology, Incorporated
5 and Everi Games, Incorporated.

6 These investigations consisted of, but were
7 not limited to, financial reviews, feedback from
8 Missouri gaming facility operators, jurisdictional
9 inquiries, a review of disciplinary actions, litigation,
10 business credit profiles, and a review of the key
11 persons associated with the companies.

12 The results of these investigations were
13 provided to the MGC staff for their review and I'd be
14 happy to answer any questions you might have.

15 CHAIRMAN LEARA: Any questions for Sergeant
16 Seaton?

17 I see none.

18 Are you staying up for the next one, also?

19 MR. SEATON: I believe that they're both
20 contained in this presentation.

21 CHAIRMAN LEARA: Not two resolutions -- oh,
22 you know it's two different resolutions? Yeah. Okay.
23 So just hang on a second.

24 MR. SEATON: Yes, sir.

25 CHAIRMAN LEARA: So the first one being

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1 Ainsworth, is there any questions for the sergeant?

2 Seeing none, I move for the approval of

3 Resolution No. 22-025.

4 Is there a second?

5 COMMISSIONER CONWAY: Second.

6 CHAIRMAN LEARA: Second, Mr. Conway.

7 Any other discussion?

8 Seeing none, Angie, call the roll.

9 MS. FRANKS: Chairman Leara.

10 CHAIRMAN LEARA: Approved.

11 MS. FRANKS: Commissioner Conway.

12 COMMISSIONER CONWAY: Approved.

13 MS. FRANKS: Commissioner Hane.

14 COMMISSIONER HANE: Approved.

15 MS. FRANKS: Commissioner Zimmerman.

16 COMMISSIONER ZIMMERMAN: Approved.

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

18 Resolution No. 22-025.

19 CHAIRMAN LEARA: Next item on the agenda,

20 Everi Games relicensure.

21 Any discussion, questions for Sergeant

22 Seaton?

23 COMMISSIONER CONWAY: Just discussion for

24 us. Everi was brought up in the discussions yesterday.

25 CHAIRMAN LEARA: Yes.

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1 COMMISSIONER CONWAY: And just -- I'm still
2 digesting all the information, but Everi, actually,
3 then, is a passthrough, or do they actually supply the
4 equipment?

5 CHAIRMAN LEARA: That's a good question.

6 Sergeant, do they do more than like credit
7 card processing under their license in Missouri? Is
8 there more to their operation than that?

9 Sergeant Holcomb? Is there a -- this is a
10 large company. Didn't they have like a billion 9 in
11 revenue or something like that?

12 MR. HOLCOMB: Yeah. So Everi Holdings,
13 Inc., is the ultimate parent company and they have two
14 verticals. One side is Everi Payments, which handles
15 the processing of payments, and the other side is the
16 Everi Games, which is the slot machines and the
17 redemption kiosks.

18 CHAIRMAN LEARA: Mr. Conway?

19 COMMISSIONER CONWAY: Well, this goes to the
20 discussion we had.

21 JUDGE RICHARDSON: And this is Everi Games
22 on our agenda today, on the slot machine side?

23 CHAIRMAN LEARA: Right.

24 MR. HOLCOMB: They're actually set up every
25 other year, just how the applications came in. So next

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1 year, you'll have the Everi Payments investigation
2 before you. You had it last year. So it's every other
3 year.

4 CHAIRMAN LEARA: Okay. That's helpful.
5 Thank you.

6 MR. HOLCOMB: Thank you, sir.

7 CHAIRMAN LEARA: All right. I think we have
8 the motion established, do we?

9 Is there a second?

10 COMMISSIONER ZIMMERMAN: Second.

11 CHAIRMAN LEARA: Second, Commissioner
12 Zimmerman.

13 Any other discussion?

14 Seeing none, Angie, call the roll.

15 MS. FRANKS: Chairman Leara.

16 CHAIRMAN LEARA: Approved.

17 MS. FRANKS: Commissioner Conway.

18 COMMISSIONER CONWAY: Approved.

19 MS. FRANKS: Commissioner Hane.

20 COMMISSIONER HANE: Approved.

21 MS. FRANKS: Commissioner Zimmerman.

22 COMMISSIONER ZIMMERMAN: Approved.

23 MS. FRANKS: By your vote, you've adopted
24 Resolution No. 22-026.

25 CHAIRMAN LEARA: Next item on the agenda,

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1 relicensure of certain key business entities, Ainsworth
2 Game Technology, Everi Game Holding.

3 MR. COULSON: Mr. Chairman and
4 Commissioners, Missouri State Highway Patrol
5 investigators and Missouri Gaming Commission financial
6 investigators conducted background investigation updates
7 on key business entity renewals. The investigations
8 included a business credit profile, a financial review,
9 a Missouri tax clearance as well as a review of
10 litigation and open source data.

11 The following renewals are being presented
12 for your consideration: Ainsworth Game Technology,
13 Limited, Everi Games Holding, Incorporated.

14 There are no pending requests for these
15 investigations. Investigative findings were provided to
16 Missouri Gaming Commission staff for their review and I
17 would be glad to answer any questions you might have.
18 Thank you.

19 CHAIRMAN LEARA: All right. Sergeant, thank
20 you.

21 So this resolution is covering two
22 relicensures. All right. Any discussion, questions for
23 the sergeant?

24 Seeing none, I move for the approval of
25 Resolution No. 22-027.

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1 Is there a second?

2 COMMISSIONER CONWAY: Second.

3 CHAIRMAN LEARA: Second, Mr. Conway.

4 Discussion on the motion?

5 Seeing none, Angie, call the roll.

6 MS. FRANKS: Chairman Leara.

7 CHAIRMAN LEARA: Approved.

8 MS. FRANKS: Commissioner Conway.

9 COMMISSIONER CONWAY: Approved.

10 MS. FRANKS: Commissioner Hane.

11 COMMISSIONER HANE: Approved.

12 MS. FRANKS: Commissioner Zimmerman.

13 COMMISSIONER ZIMMERMAN: Approved.

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

15 Resolution No. 22-027.

16 CHAIRMAN LEARA: Next item on the agenda,

17 consideration of licensure of Level 1 key applicants.

18 Sergeant Holcomb, you have the floor.

19 MR. HOLCOMB: Thank you, Mr. Chairman.

20 Missouri State Highway Patrol investigators

21 and Missouri Gaming Commission financial investigators

22 conducted comprehensive background investigations on key

23 and Level 1 applicants. The investigations included,

24 but were not limited to, civil, criminal, financial and

25 general character inquiries that were made in the

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1 jurisdictions where the applicants have lived, worked
2 and frequented.

3 The following applicants are being presented
4 for your consideration: Marco Costaguta, director,
5 De Agostini, S.p.A; Tatsuhiko Saruwatari, director,
6 Japan Cash Machine Company, Limited; Masami Saso,
7 director, Konami Gaming, Incorporated; Joseph Alexander
8 Coady, chief technology officer, NRT Technology Corp.

9 Investigative findings were provided to the
10 Missouri Gaming Commission staff for their review and
11 investigators are available to answer any questions you
12 might have.

13 CHAIRMAN LEARA: All right. Any questions
14 for Sergeant Holcomb?

15 COMMISSIONER CONWAY: Now, a number of these
16 are foreign nationals. Just in general, the
17 investigation process, I mean, do you contact the
18 foreign country and they give you some response onto
19 this individual's background?

20 MR. HOLCOMB: Yes. We have a police check
21 from the country that they are from. We also check with
22 Homeland Security and do some federal checks as well.

23 COMMISSIONER CONWAY: Okay.

24 MR. HOLCOMB: And then if they travel to the
25 United States or spend any time here, we check where

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1 they have frequented.

2 COMMISSIONER CONWAY: Great. Thank you very
3 much.

4 MR. HOLCOMB: Yes, sir.

5 CHAIRMAN LEARA: So, Sergeant, I did notice
6 in one of the investigations that it was a National
7 Police of Japan. Is that how they're structured there?

8 MR. HOLCOMB: Correct.

9 CHAIRMAN LEARA: Not individual counties?
10 Or would that be similar to our FBI?

11 MR. HOLCOMB: So the application requires a
12 police check from the country that they are from. And
13 the Japan National Police is what typically comes in on
14 the Japanese applicants.

15 CHAIRMAN LEARA: All right. Thank you,
16 Sergeant.

17 Any other discussion, questions?

18 Seeing none, I move for the approval of
19 Resolution No. 22-028.

20 Is there a second?

21 COMMISSIONER CONWAY: Second.

22 CHAIRMAN LEARA: Commissioner Conway.

23 Further discussion on the motion?

24 Seeing none, Angie, call the roll.

25 MS. FRANKS: Chairman Leara.

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1 CHAIRMAN LEARA: Approved.

2 MS. FRANKS: Commissioner Conway.

3 COMMISSIONER CONWAY: Approved.

4 MS. FRANKS: Commissioner Hane.

5 COMMISSIONER HANE: Approved.

6 MS. FRANKS: Commissioner Zimmerman.

7 COMMISSIONER ZIMMERMAN: Approved.

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

9 Resolution No. 22-028.

10 CHAIRMAN LEARA: Next item on the agenda,

11 relicensure of key persons, Resolution 22-029.

12 Sergeant Coulson.

13 MR. COULSON: Mr. Chairman and

14 Commissioners, Missouri State Highway Patrol

15 investigators conducted background investigation updates

16 on key person license renewals. The investigations

17 included an application review as well as civil,

18 criminal and general character inquiries made in the

19 jurisdictions where the applicants currently reside.

20 The following renewals are being presented

21 for your consideration: Graeme John Campbell, lead

22 independent non-executive director, Ainsworth Game

23 Technology, Limited; Daniel Eric Gladstone, chairman and

24 non-executive director, Ainsworth Game Technology,

25 Limited; Mark Lewis Ludski, chief financial

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1 officer/company secretary, Ainsworth Game Technology,
2 Limited; Kathleen Marie Conlon, non-executive director,
3 Aristocrat Leisure Limited; Eric Alan Hession,
4 co-president of Caesars Digital Sports Wagering & Online
5 Gaming, Caesars Entertainment, Incorporated; Maritza Del
6 Carmen Landry, managing member, Casino Tech; Richard
7 James Landry, managing member, Casino Tech; Kimito Kubo,
8 outside director, Konami Holdings Corporation; Yoshihiro
9 Matsuura, director, Konami Holdings Corporation; Rosa
10 Luricchia, executive vice president of customer success,
11 NRT Technology Corporation.

12 There are no pending requests for these
13 investigations. Investigative findings were provided to
14 the Missouri Gaming Commission staff for the their
15 review. And I would be glad to answer any questions you
16 might have. Thank you.

17 CHAIRMAN LEARA: Any questions for Sergeant
18 Coulson?

19 See none. I move for the approval of
20 Resolution No. 22-029.

21 Is there a second?

22 COMMISSIONER ZIMMERMAN: Second.

23 CHAIRMAN LEARA: Second, Commissioner
24 Zimmerman.

25 Any other discussion on the motion?

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1 Seeing none, Angie, call the roll.

2 MS. FRANKS: Chairman Leara.

3 CHAIRMAN LEARA: Approved.

4 MS. FRANKS: Commissioner Conway.

5 COMMISSIONER CONWAY: Approved.

6 MS. FRANKS: Commissioner Hane.

7 COMMISSIONER HANE: Approved.

8 MS. FRANKS: Commissioner Zimmerman.

9 COMMISSIONER ZIMMERMAN: Approved.

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

11 Resolution No. 22-029.

12 CHAIRMAN LEARA: All right. Next item on
13 the agenda, motion -- I will make a motion for closed
14 meeting under Sections 313.847 of the Revised Statute of
15 Missouri, Investigatory, Proprietary and Application
16 Records, and Section 610.021, Section 1, Revised
17 Statutes of Missouri, legal actions and matters subject
18 to attorney/client privilege and legal work product,
19 Sections 3 and 13, Personnel, 12 Contracts, and 14,
20 records protected from disclosure by law.

21 Is there a second?

22 COMMISSIONER HANE: Second.

23 CHAIRMAN LEARA: We have a second.

24 Any discussion?

25 Seeing none, Angie, call the roll.

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1 MS. FRANKS: Chairman Leara.

2 CHAIRMAN LEARA: Approved.

3 MS. FRANKS: Commissioner Conway.

4 COMMISSIONER CONWAY: Approved.

5 MS. FRANKS: Commissioner Hane.

6 COMMISSIONER HANE: Approved.

7 MS. FRANKS: Commissioner Zimmerman.

8 COMMISSIONER ZIMMERMAN: Approved.

9 MS. FRANKS: We're in closed session.

10 [Meeting concluded.]

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CERTIFICATE OF REPORTER

I, Joann Renee Richardson, CCR, for the State of Missouri, do hereby certify that the Gaming Commission meeting was held on April 27, 2022, at the Missouri Gaming Commission, 3417 Knipp Drive, Jefferson City, Missouri, and a transcript was made herein of that meeting.

IN WITNESS WHEREOF, I have hereunto set my hand and seal.

Joann Renee Richardson, CCR

MISSOURI GAMING COMMISSION
Second Open Session Minutes
April 27, 2022

The Missouri Gaming Commission (the “Commission”) went into the second open session at approximately 10:50 a.m. on April 27, 2022, at the Missouri Gaming Commission, 3417 Knipp Drive, Jefferson City, Missouri.

Grey machines conversation.

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

The open session meeting ended at 11:00 a.m.