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BEFORE THE MISSOURI GAMING COMMISSION
STATE OF MISSOURI

Meeting
December 16, 2009
11:00 a.m.
Central Office
3417 Knipp Drive
Jefferson City, Missouri

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BEFORE THE MISSOURI GAMING COMMISSION
STATE OF MISSOURI

Meeting
December 16, 2009
11:00 a.m.
Central Office
3417 Knipp Drive
Jefferson City, Missouri

COMMISSIONERS PRESENT:

James L. Mathewson, Chairman
Noel J. Shull (via telephonically)
Darryl T. Jones
Larry W. Plunkett, Sr.
Suzanne Bocell Bradley

REPORTED BY:

Patricia A. Stewart
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1 P R O C E E D I N G S

2 CHAIRMAN MATHEWSON: Okay. Let's call this
3 meeting to order. We have four present and one on the
4 phone.

5 So call the roll, please, Angie.

6 MS. FRANKS: Chairman Mathewson.

7 CHAIRMAN MATHEWSON: Here.

8 MS. FRANKS: Commissioner Shull.

9 COMMISSIONER SHULL: Present.

10 MS. FRANKS: Commissioner Jones.

11 COMMISSIONER JONES: Present.

12 MS. FRANKS: Commissioner Plunkett.

13 COMMISSIONER PLUNKETT: Present.

14 MS. FRANKS: Commissioner Bradley.

15 COMMISSIONER BRADLEY: Present.

16 CHAIRMAN MATHEWSON: Okay. Quorum being
17 present, Mr. Director.

18 MR. MCNARY: Mr. Chairman and Commissioners,
19 the sole purpose of this meeting is for the Commission to
20 receive the report which was prompted by the investigation
21 conducted by the State Highway Patrol, and Captain Elder I
22 believe is here to address the Commission.

23 CHAIRMAN MATHEWSON: Good morning, Captain.

24 CAPTAIN ELDER: Good morning, Chairman,
25 Commissioners.

1 CHAIRMAN/COMMISSIONERS: Good morning.

2 CAPTAIN ELDER: The Highway Patrol has
3 completed the investigation on the incident that occurred
4 in the St. Louis County Commission meeting in November and
5 the reports have been completed and turned over to the
6 Commission and the Commissioners for their review, and
7 we're here to answer any questions if you have them.

8 CHAIRMAN MATHEWSON: I think all of the
9 Commissioners are in receipt of the complete investigation
10 and have had those now for the last several days.

11 Are there any questions of Captain Elder on
12 the report as they submitted it to us?

13 MR. MCNARY: Captain, I believe you have
14 Lieutenant Rex Scism and Sergeant Steve Akridge here who
15 were hands-on investigators also available for questions.

16 CAPTAIN ELDER: That's correct. They were
17 the two lead investigators, and they are in the
18 Commission's presence today if you have any questions for
19 them.

20 CHAIRMAN MATHEWSON: Are there any questions
21 of the Commission of either Captain Elder or the two
22 Highway Patrol investigators at this time?

23 COMMISSIONER JONES: Mr. Chairman, I'd just
24 like to commend Lester's team for doing a thorough
25 investigation. I mean, this is extremely detailed, and I

1 appreciate all of the hard work that they've done with the
2 report.

3 And my only issue outside of the extremely
4 great work that you guys have done is just the issue I
5 guess with the media, the way it was reported.

6 And I know everyone is human and we make
7 mistakes, and I think in this incident that the media made
8 a mistake in the way they reported it, because it came
9 across a lot different from this thorough investigation.
10 So that's just my opinion.

11 But like I said, I just wanted to commend
12 you and your team for doing a great job on the report.

13 CAPTAIN ELDER: I appreciate that,
14 Mr. Jones, and I can tell you that the officers assigned
15 worked long hours. They had a lot of interviews to be
16 conducted. They worked through the weekends on some of
17 the reports to be able to get them completed.

18 And, again, our job is to do a fact finding
19 of the issue and report that to the Commission, and I
20 think they did a thorough job and I commend them as well.

21 CHAIRMAN MATHEWSON: Any other questions of
22 Captain Elder?

23 COMMISSIONER BRADLEY: I'd just like to say
24 I concur with Commissioner Jones. This report, I would go
25 farther than thorough. It was exhaustive. It appeared to

1 me you covered everything and so you guys did good work.

2 Thank you.

3 CAPTAIN ELDER: Thank you, Ms. Bradley.

4 COMMISSIONER PLUNKETT: I just want to say
5 that we appreciate it being done in a timely manner so
6 that we can get this issue resolved.

7 COMMISSIONER JONES: Absolutely.

8 CAPTAIN ELDER: We appreciate it. Thank
9 you, sir.

10 COMMISSIONER SHULL: This is Commissioner
11 Shull.

12 CHAIRMAN MATHEWSON: Yes, Noel.

13 COMMISSIONER SHULL: I would also like to
14 acknowledge Mr. Lee's honesty and his apparent sincere
15 apology. To me that carries a lot of weight for him.

16 However, as a policy matter, the
17 Commission -- with the Commission there needs to be some
18 action that indicates that this type of behavior is
19 unacceptable to the Commission, and I'd like to ask if
20 consideration was given to treating this as an offer for
21 reimbursement of cost as opposed to a fine?

22 CHAIRMAN MATHEWSON: Noel?

23 COMMISSIONER SHULL: Yes, sir.

24 CHAIRMAN MATHEWSON: Gene McNary will have a
25 recommendation to us. That's next on the agenda on how to

1 deal with that. Okay?

2 COMMISSIONER SHULL: Okay.

3 CHAIRMAN MATHEWSON: Okay.

4 Okay. Any other questions of Captain Elder?

5 Again, thank you, and thanks, guys. I don't
6 see either one of them back there. Are they back there?
7 There they are. I don't know how I missed you. Oh, you
8 weren't in uniform. You guys need to show up once in a
9 while in uniform. Make sure you shine your brass.

10 CAPTAIN ELDER: The brass has been shined.

11 CHAIRMAN MATHEWSON: Thank you very much.

12 CAPTAIN ELDER: Thank you, Chairman.

13 CHAIRMAN MATHEWSON: Again, thank you all.

14 Thanks, guys. You did a really fine job. I think you
15 interviewed, what, 26, 27 people, something like that?
16 Thank you.

17 Mr. Director, sir.

18 MR. MCNARY: Mr. Chairman, let me point out
19 that Jim Deutsch, the attorney for Mr. Dan Lee, is present
20 and available to answer any of your questions.

21 And I should also note that Mr. Lee himself
22 was more than willing to attend this meeting but we
23 advised him that would not be necessary.

24 Let me, with your permission, give the Staff
25 recommendation.

1 CHAIRMAN MATHEWSON: Thank you, sir.

2 Proceed.

3 MR. MCNARY: The Missouri State Highway
4 Patrol investigation was extensive and reports undisputed
5 facts. Dan Lee was clearly upset and arguably irate over
6 the action of a St. Louis County Councilman. His conduct
7 was inappropriate for the CEO of a major corporation and a
8 licensee of the State of Missouri, and it appears that it
9 contributed to Pinnacle's decision to ask for his
10 resignation.

11 It is important to note, however, that
12 Pinnacle Entertainment, while under the leadership of Dan
13 Lee, has made a capital investment of nearly 1 billion and
14 added 3,000 jobs to the St. Louis area. The opening of
15 Lumiere Place Casino has contributed significantly to the
16 revitalization of the St. Louis Riverfront, and the
17 opening of the River City Casino set for this March will
18 lead to the revitalization of the Lemay area in St. Louis
19 County.

20 The Staff is satisfied that this matter was
21 investigated thoroughly and in a timely manner. Mr. Lee's
22 conduct did not rise to a level that would necessitate any
23 disciplinary action against his license.

24 This investigation, however, was alone
25 prompted by Mr. Lee and his actions; thus, the Staff

1 recommends that Mr. Lee pay the costs associated with the
2 investigation, and the costs of investigating the event,
3 this event, was \$16,800, and we would recommend that
4 Mr. Lee reimburse the State in this amount.

5 That's the Staff's recommendation.

6 CHAIRMAN MATHEWSON: Any questions on the
7 Staff recommendation of Gene or anyone else?

8 Noel, Commissioner Shull, did you hear that?

9 COMMISSIONER SHULL: I did, and that pleases
10 me.

11 CHAIRMAN MATHEWSON: Okay, sir.

12 COMMISSIONER SHULL: I'd like to move
13 approval.

14 CHAIRMAN MATHEWSON: Okay.

15 COMMISSIONER JONES: Is that a motion?

16 COMMISSIONER SHULL: Yes, sir.

17 COMMISSIONER JONES: I second.

18 CHAIRMAN MATHEWSON: Any further discussion,
19 comments?

20 Call the roll, please.

21 MS. FRANKS: Chairman Mathewson.

22 CHAIRMAN MATHEWSON: Aye.

23 MS. FRANKS: Commissioner Shull.

24 COMMISSIONER SHULL: Approve.

25 MS. FRANKS: Commissioner Jones.

1 COMMISSIONER JONES: Approve.

2 MS. FRANKS: Commissioner Plunkett.

3 COMMISSIONER PLUNKETT: Approve.

4 MS. FRANKS: Commissioner Bradley.

5 COMMISSIONER BRADLEY: Approve.

6 CHAIRMAN MATHEWSON: Okay. That, by the
7 way -- LeAnn, am I correct, we have -- if anyone wants to
8 see copies of the investigation, it's available. If you
9 want to see a copy of the recommendation, it's available.

10 Okay. Then that will conclude discussion on
11 the report and the recommendation which has been adopted
12 and accepted.

13 One other question that I had, just so
14 everyone knows: Gene, as I understand it, the
15 investigation that we just supported for \$16,800, that
16 money will go directly to the Educational Fund when and if
17 paid. Is that right?

18 MR. MCNARY: No, sir.

19 CHAIRMAN MATHEWSON: That's not right?

20 MR. MCNARY: No. That 16,800 will go to the
21 Missouri Commission Gaming Fund, which then is used to pay
22 for the investigation.

23 CHAIRMAN MATHEWSON: Oh, okay. Okay.

24 MR. MCNARY: So it's a direct -- in effect,
25 a direct reimbursement.

1 CHAIRMAN MATHEWSON: Okay.

2 MR. MCNARY: And it has the effect of not
3 penalizing any other of the casino companies for the
4 action of one person.

5 CHAIRMAN MATHEWSON: And that was one of the
6 concerns that, as you know, sir, that I had --

7 MR. MCNARY: Yes, sir.

8 CHAIRMAN MATHEWSON: -- that we shouldn't
9 penalize everyone for one person's act.

10 So that will conclude that report and
11 recommendation that has been voted.

12 Okay. Any other business to come before us?
13 Any old business?

14 Just in closing, let me make a special
15 comment about the Commissioners, and that includes you,
16 Noel Shull.

17 You know, as your Chairman, I felt like that
18 we needed to deal with this. We needed to deal with it in
19 a positive way, and we needed to get it behind us for
20 everybody's sake.

21 So because of the investigation that was
22 completed in a timely fashion and because that -- the four
23 of us that are here, and Mr. Shull who was not able to be
24 here today, had to drive a long ways and make a special
25 effort, having just been here a week and a half ago --

1 and, you know, we really get the big bucks for doing these
2 things -- so I want to thank the Commissioners and thank
3 the Staff for putting this together and getting this
4 behind us.

5 So I want to just add to what Commissioner
6 Jones said a while ago. Please tell Mr. Lee that we
7 appreciate his cooperation. He cooperated all of the way
8 in this investigation, as the report shows, and we
9 appreciate that very much.

10 Okay. We're about to close this meeting.

11 MS. FRANKS: I think we need to go into
12 closed.

13 CHAIRMAN MATHEWSON: Yes, I need a motion to
14 go into closed.

15 So thank you, Commissioners, very much for
16 taking your time to be back up here today.

17 COMMISSIONER BRADLEY: Mr. Chairman, I move
18 to close this meeting to go into closed session under
19 Sections 313.847 and Section 610.021, Subsection 1 and
20 Subsection 14, of the Missouri Revised Statutes.

21 CHAIRMAN MATHEWSON: Thank you.

22 COMMISSIONER PLUNKETT: Second.

23 CHAIRMAN MATHEWSON: We have a motion and a
24 second.

25 All those in favor, call the roll, please.

1 MS. FRANKS: Chairman Mathewson.
2 CHAIRMAN MATHEWSON: Approve.
3 MS. FRANKS: Commissioner Shull.
4 COMMISSIONER SHULL: Approve.
5 MS. FRANKS: Commissioner Jones.
6 COMMISSIONER JONES: Approve.
7 MS. FRANKS: Commissioner Plunkett.
8 COMMISSIONER PLUNKETT: Approve.
9 MS. FRANKS: Commissioner Bradley.
10 COMMISSIONER BRADLEY: Approve.
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CERTIFICATE OF REPORTER

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I, Patricia A. Stewart, RMR, RPR, CCR, a

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Certified Court Reporter in the State of Missouri, do

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hereby certify that the testimony that appears in the

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nor financially or otherwise interested in the outcome of

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CCR No. 401

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