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BEFORE THE MISSOURI GAMING COMMISSION

STATE OF MISSOURI

Commission Meeting

March 28, 2012

9:00 a.m.

City of LaGrange City Hall

118 South Main Street

LaGrange, Missouri

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24	I. Proposed Amendments	30
25	1. 11 CSR 45-5.181 - Promotional Activities	
26	2. 11 CSR 45-9.114 - Minimum Internal	
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28	J. Final Order of Rulemaking	33
29	1. 11 CSR 45-9.118 - Minimum Internal	
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31	VII. Motion for Closed Meeting under Sections	
32	313.847, Investigatory, Proprietary and Application	
33	Records and 6.10.021(1) and (14) - Portions of this	
34	closed meeting will be held at the Mark Twain Casino,	
35	104 Pierce Street, LaGrange, Missouri, in connection	
36	with a tour of the casino.	38
37	VIII. Motion to Open Meeting.	
38	IX. Adjournment.	

1 BEFORE THE MISSOURI GAMING COMMISSION

2 STATE OF MISSOURI

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6 Commission Meeting

7 March 28, 2012

8 9:00 a.m.

9 City of LaGrange City Hall

10 118 South Main Street

11 LaGrange, Missouri

12

13

14 COMMISSIONERS PRESENT:

15 James L. Mathewson, Chairman

16 Suzanne Bocell Bradley

17 Darryl T. Jones

18 Barrett Hatches

19

20 REPORTED BY:

21 Melissa Bennett, CCR 1307(T)

22 Midwest Litigation Services

23 401 Locust Street, Suite 204

24 Columbia, MO 65201

25 (573)449-0561

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

2 (Proceedings commenced at 8:57 a.m.)

3 CHAIRMAN MATHEWSON: Okay. The hour being
4 awful close. The hour being awful close, we'll bring
5 this Commission meeting to order, please. Angie,
6 would you call roll.7 MS. FRANKS: Commission Barrett --
8 Commissioner Hatches?

9 COMMISSIONER HATCHES: Here.

10 MS. FRANKS: Commissioner Jones?

11 COMMISSIONER JONES: Present.

12 MS. FRANKS: Commissioner Bradley?

13 COMMISSIONER BRADLEY: Present.

14 MS. FRANKS: Chairman Mathewson?

15 CHAIRMAN MATHEWSON: Present. We will --
16 first order of business will be that we will have a
17 motion, please, for the consideration of the minutes
18 from the February 22 meeting held in Jefferson City.
19 Would someone like to give me a motion on the adoption
20 of those minutes?

21 COMMISSIONER JONES: So moved.

22 COMMISSIONER HATCHES: Second.

23 CHAIRMAN MATHEWSON: We have a motion and a
24 second to approve the minutes from the February 22
25 meeting. Any discussion? Call roll, Angie, please.

1 MS. FRANKS: Commissioner Hatches?

2 COMMISSIONER HATCHES: Approved.

3 MS. FRANKS: Commissioner Jones?

4 COMMISSIONER JONES: Approved.

5 MS. FRANKS: Commissioner Bradley?

6 COMMISSIONER BRADLEY: Approved.

7 MS. FRANKS: Chairman Mathewson?

8 CHAIRMAN MATHEWSON: Approved.

9 MS. FRANKS: By your vote you have adopted
10 the minutes of the February 22, 2012, meeting.

11 CHAIRMAN MATHEWSON: Mr. Stottlemire.

12 MR. STOTTEMYRE: Chairman, Commissioners,
13 the next item on the agenda is the consideration of
14 relicensure of suppliers, and Sergeant George Hamilton
15 will present.

16 CHAIRMAN MATHEWSON: Morning, Sergeant.

17 SERGEANT HAMILTON: Morning, Mr. Chairman,
18 and Commissioners. The Missouri State Highway Patrol
19 investigators conducted the relicensing investigation
20 of two supplier companies currently licensed in
21 Missouri. The investigation consisted of
22 jurisdictional inquires, feedback from affected gaming
23 company clients, review of disciplinary actions,
24 litigation and business credit profiles, as well as a
25 review of the key persons associated with the

1 companies. The results of this -- these
2 investigations were provided to the MGC staff for
3 their review, and you possess a comprehensive summary
4 report before you which outlines our investigative
5 findings. The following supplier companies are being
6 presented for your consideration: Spielo
7 International USA, L.L.C., Las Vegas, Nevada; Spielo
8 International Canada, ULC-Moncton, New Brunswick,
9 Canada.

10 MR. STOTTLEMYRE: Mr. Chairman, staff
11 recommends approval of Resolution No. 12-024.

12 CHAIRMAN MATHEWSON: Okay. We ought to
13 take those separately, hadn't we?

14 MR. STOTTLEMYRE: We should, yes.

15 CHAIRMAN MATHEWSON: Okay. Any questions
16 of the sergeant, Members of the Commission? Seeing
17 none, Chair will accept a motion to adopt Resolution
18 No. 12-024, please.

19 COMMISSIONER HATCHES: Move for approval of
20 Resolution No. 12-024.

21 COMMISSIONER BRADLEY: Second.

22 CHAIRMAN MATHEWSON: Got a motion and a
23 second. Any discussion? Call the roll, Angie,
24 please.

25 MS. FRANKS: Commissioner Hatches?

1 COMMISSIONER HATCHES: Approved.

2 MS. FRANKS: Commissioner Jones?

3 COMMISSIONER JONES: Approved.

4 MS. FRANKS: Commissioner Bradley?

5 COMMISSIONER BRADLEY: Approved.

6 MS. FRANKS: Chairman Mathewson?

7 CHAIRMAN MATHEWSON: Approved.

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

9 Resolution No. 12-024.

10 MR. STOTTLEMYRE: Mr. Chairman, staff also

11 recommends approval of Resolution No. 12-025.

12 CHAIRMAN MATHEWSON: Any discussion? The

13 Chair will accept a motion on the adoption of the

14 resolution, please.

15 COMMISSIONER JONES: Move for the adoption

16 of Resolution No. 12-025.

17 COMMISSIONER BRADLEY: Second.

18 CHAIRMAN MATHEWSON: Call the roll, please.

19 MS. FRANKS: Commissioner Hatches?

20 COMMISSIONER HATCHES: Approved.

21 MS. FRANKS: Commissioner Jones?

22 COMMISSIONER JONES: Approved.

23 MS. FRANKS: Commissioner Bradley?

24 COMMISSIONER BRADLEY: Approved.

25 MS. FRANKS: Chairman Mathewson?

1 CHAIRMAN MATHEWSON: Approved.

2 MS. FRANKS: By your vote you've adopted
3 Resolution No. 12-025.

4 CHAIRMAN MATHEWSON: Thank you. Roger?

5 MR. STOTTLEMYRE: Next item on the agenda
6 is consideration of licensure of Level 1 and Key
7 applicants, and Sergeant George Hamilton will present
8 again.

9 SERGEANT HAMILTON: Missouri State Highway
10 Patrol investigators along with Gaming Commission
11 financial investigators conducted comprehensive
12 background investigations on multiple Key and Level 1
13 applicants. The investigations included but were not
14 limited to criminal, financial, and general character
15 inquiries which were made in the jurisdictions where
16 the applicants lived, worked, and frequented. The
17 following individuals are being presented for your
18 consideration: Gerald W. Koslow, chief financial
19 officer, Gaming Partners International USA,
20 Incorporated; David Craig Philip Banks, non-executive
21 director for Aristocrat Leisure Limited; Joyce J.
22 Ridge, table games manager, Casino One Corporation
23 doing business as Lumiere Place Casino and Hotel. The
24 results of these investigations were provided to the
25 Gaming Commission staff for their review, and you have

1 all related summary reports before you.

2 CHAIRMAN MATHEWSON: Okay. We can probably
3 approve all three of those in one motion, can't we?

4 MR. STOTTLEMYRE: Yes.

5 COMMISSIONER JONES: It's one resolution.

6 CHAIRMAN MATHEWSON: Or one resolution.

7 COMMISSIONER JONES: It's all one
8 resolution.

9 CHAIRMAN MATHEWSON: It's all 12-026.

10 COMMISSIONER JONES: Yes.

11 CHAIRMAN MATHEWSON: Okay. Chair will
12 accept a motion on Resolution 12-026, please.

13 COMMISSIONER BRADLEY: Motion to approve
14 Resolution No. 12-026.

15 COMMISSIONER JONES: Second.

16 CHAIRMAN MATHEWSON: Any discussion? Call
17 the roll, Angie, please.

18 MS. FRANKS: Commissioner Hatches?

19 COMMISSIONER HATCHES: Approved.

20 MS. FRANKS: Commissioner Jones?

21 COMMISSIONER JONES: Approved.

22 MS. FRANKS: Commissioner Bradley?

23 COMMISSIONER BRADLEY: Approved.

24 MS. FRANKS: Chairman Mathewson?

25 CHAIRMAN MATHEWSON: Approved.

1 MS. FRANKS: By your vote you've adopted
2 Resolution No. 12-026.

3 MR. STOTTLEMYRE: Mr. Chairman, the next
4 item on the agenda is consideration of disciplinary
5 action. Mr. Ed Grewach is here to present.

6 CHAIRMAN MATHEWSON: Morning, Ed.

7 MR. GREWACH: Good morning. We have under
8 Tab E a preliminary order for discipline against
9 Ameristar Casino St. Charles. There was a minor who
10 entered the floor with a false ID. While he was
11 playing table games, one of the table game supervisors
12 checked it and came to the conclusion that the ID did
13 not look like the patron. The supervisor called
14 another supervisor over who came to the same
15 conclusion. Our agent determined his correct ID, and
16 he was 20 years old. Agent went back and reviewed the
17 surveillance and found that the minor had been on the
18 floor for 36 minutes, and he had encountered four
19 employees of the casino during that time frame, and
20 only one of the four did check his ID. The other
21 three failed to check his ID. He played six hands of
22 blackjack and drank from a friend's drink, and
23 therefore, we are recommending a fine of \$5,000.

24 COMMISSIONER JONES: I got a question, Ed.
25 I see why they should have caught this person earlier

1 because my documents are saying it was a female, and
2 you're saying it was a male.

3 MR. GREWACH: It was a female.

4 COMMISSIONER JONES: So I just want to make
5 sure.

6 MR. GREWACH: I misspoke. It's a female.

7 COMMISSIONER JONES: All right.

8 MR. GREWACH: That would have been rather
9 obvious.

10 CHAIRMAN MATHEWSON: Maybe that was the
11 problem to start with. They couldn't figure out which
12 it was, so we'll let him in.

13 MR. GREWACH: From the staff's position, it
14 was the people who didn't check that were the problem.
15 You know, I think when you get -- I look at false ID
16 cases and if they're fairly close, I'm, you know,
17 willing to understand that. But when you have people
18 that don't check at all and someone who obviously
19 looks young, you know, that's, I think, where the
20 failure happened in this case.

21 CHAIRMAN MATHEWSON: Okay. Any other
22 questions of Ed?

23 COMMISSIONER BRADLEY: And they're taking
24 care of either training or talking to the employees
25 who did not do their job?

1 MR. GREWACH: There was disciplinary action
2 against the security shift manager for two days, and
3 the other three that failed to check the ID, a one-day
4 suspension. So I don't know -- I don't know that
5 there was any additional training. Most of the
6 properties have an internal policy where they want
7 their people to check if they look under 30 or
8 whatever -- whatever mark they put in their internal
9 policies. But obviously a 20-year-old's young enough
10 that everybody that encounters him should be checking.
11 I know that's aggravating for the patron, but that's
12 just really what we would require of the individual
13 properties.

14 COMMISSIONER BRADLEY: Okay. Thank you.

15 CHAIRMAN MATHEWSON: Any other questions of
16 Ed on this disciplinary action? Chair will accept a
17 motion to adopt the recommendation of staff.

18 COMMISSIONER HATCHES: Move for approval of
19 DC-12-105.

20 COMMISSIONER JONES: Second.

21 CHAIRMAN MATHEWSON: Okay. Any further
22 discussion? Call roll, Angie, please.

23 MS. FRANKS: Commissioner Hatches?

24 COMMISSIONER HATCHES: Approved.

25 MS. FRANKS: Commissioner Jones?

1 COMMISSIONER JONES: Approved.

2 MS. FRANKS: Commissioner Bradley?

3 COMMISSIONER BRADLEY: Approved.

4 MS. FRANKS: Chairman Mathewson?

5 CHAIRMAN MATHEWSON: Approved.

6 MS. FRANKS: By your vote you've adopted
7 preliminary order of disciplinary action DC-12-105.

8 MR. GREWACH: Under Tab F we have another
9 minor on the floor case. This involves Lumiere
10 Casino. This particular minor entered the floor on
11 three different occasions using his brother's expired
12 British Columbia, Canada, driver's license. He was on
13 for those three entries for a total of 20 hours. He
14 gambled. He played poker, blackjack, roulette,
15 blackjack and baccarat. Didn't consume any alcohol.
16 The trooper who reviewed the surveillance counted 50
17 different employees who encountered the minor during
18 that time frame and did not -- either did not check
19 his ID or did not determine that the ID was invalid.

20 On the first day, September 17, 2011, the
21 security officer at the turnstile believed the ID was
22 suspicious, and the -- called his supervisor over to
23 consult with. The supervisor looked at it and allowed
24 the minor on even though Lumiere has an internal
25 policy. Now, it's not one of our internal controls,

1 you know, through the rules, but their own internal
2 policy not to accept expired driver's licenses as
3 valid ID's.

4 The next entry was on September 19, and in
5 that case the security officer at the turnstile
6 actually told the minor he couldn't come in, denied
7 him entrance because the driver's license was
8 suspended. Again, called his supervisor over to
9 consult with it -- with him. The supervisor looked at
10 the ID, saw it was expired, but the patron, the minor,
11 told the supervisor that in Canada you can drive for
12 up to a year on an expired driver's license, and the
13 supervisor says, okay, that's fine, go on in, and he
14 overruled the security officer at the turnstile's
15 initial decision.

16 And then on the 20th, the third entry, it
17 was the same transaction where the security officer
18 initially stopped him, called his supervisor, and the
19 supervisor let the person in. So given the three
20 events and particularly the supervisor overruling the
21 security officer who made the correct decision, you
22 know, at the turnstile and the number of people that
23 the minor encountered, the staff's recommending a fine
24 of \$30,000.

25 CHAIRMAN MATHEWSON: Any questions of Ed on

1 DC-12-106?

2 COMMISSIONER JONES: I got a question, Ed.
3 So it's not our policy? We don't have it written into
4 our policy about the expired licenses?

5 MR. GREWACH: I don't believe so. I'd have
6 to check. We might say a valid government issued ID,
7 but I don't think we are that specific to say you
8 can't use one that's expired.

9 COMMISSIONER JONES: Should that be
10 something that we add? I'm not too sure.

11 CHAIRMAN MATHEWSON: Well, you know, my
12 first reaction to it is that we should. But you know,
13 whether or not -- uh-oh, we've got --

14 MR. GREWACH: Cheryl Alonzo may have a
15 better answer than I have to this question.

16 MS. ALONZO: Cheryl Alonzo, Missouri Gaming
17 Commission. I think staff was considering doing the
18 rewrite, but there's a large group of patrons, older
19 patrons, that will come in that don't have driver's
20 licenses. They don't drive anymore, and they come in
21 on buses and trips and things like that, and I think
22 their concern was that if you do not let in anybody
23 with an expired ID that that might exclude a group of
24 senior citizens really.

25 CHAIRMAN MATHEWSON: Okay.

1 MR. STOTTLEMYRE: I think part of the
2 thinking, too, is as long as the ID is of that
3 individual, even though it could be an expired
4 license, it's going to, you know, if that -- if
5 everything is okay with the license other than the
6 fact that it's expired, it still has correct date of
7 birth on it. So -- which is really what they're
8 looking at it is the age of the individual, whether
9 they're old enough to get on the casino floor. And so
10 I think, you know, it was part of the reasoning for
11 not going forward with making it mandatory that it had
12 to be current.

13 COMMISSIONER HATCHES: Well, that raises
14 the question as to, you know, what's a valid ID?
15 Expired --

16 MR. STOTTLEMYRE: It does.

17 COMMISSIONER HATCHES: -- in your terms
18 means it's just expired, but if the date of birth is
19 correct, you know, so what's a valid ID? And I guess
20 you have to work all the way down to that.

21 CHAIRMAN MATHEWSON: Well, since I just had
22 a birthday, I don't want you picking on the senior
23 citizens of this great state of Missouri. Ed, do you
24 hear me?

25 MR. GREWACH: Just barely.

1 COMMISSIONER HATCHES: You just had a
2 birthday too; right?

3 MR. GREWACH: Yes, I did. They had a
4 meeting on my birthday, Senator.

5 CHAIRMAN MATHEWSON: Yeah, we did. We sure
6 did. You kept turning the microphone off.

7 COMMISSIONER BRADLEY: May I ask him about
8 the 50 employees that, I mean, is there a policy -- I
9 mean, I thought there was some kind of policy even
10 within a casino that if they see someone who looks
11 young like we just talked about in the last case, they
12 should be asking, so that is what you're considering,
13 too, on the -- of the fine that you rendered.

14 MR. GREWACH: Absolutely. I think that
15 volume kind of shows a systemic problem of them not
16 properly supervising. I think the training was there.
17 I mean, if you look at -- you look at, you know, did
18 they have the classes, did they hand out the
19 materials, you know. But we did discipline
20 specifically the two shift supervisors when this
21 happened, gave them both two days suspension because
22 we looked and said, well, you know, we could suspend
23 50 people or we could really say, hey, supervisors,
24 it's your job to make sure this is getting done. But
25 you're exactly right. They both have -- age may

1 differ, but anybody who looks under a certain age,
2 everybody who encounters them should ID them. And
3 once again, I know it's an inconvenience for the
4 patron, if you -- you know, 21 or 22 and everywhere
5 you go people check your ID, but that's really what we
6 need to do to make sure they don't get on the floor.

7 COMMISSIONER BRADLEY: Well, it's
8 interesting to note too. I was going to ask you. It
9 was two different supervisors. It wasn't the same
10 person who was the supervisor for those --

11 MR. GREWACH: Correct.

12 COMMISSIONER BRADLEY: -- three days.

13 MR. GREWACH: Two different ones, yeah.

14 COMMISSIONER BRADLEY: Allowed the
15 patron -- the minor in.

16 MR. GREWACH: And one specifically
17 overruled the decision of the security officer from
18 not letting that person in.

19 COMMISSIONER BRADLEY: Well, then his
20 picture must have been pretty close then. It must
21 have been a real issue then.

22 MR. GREWACH: It was his brother. I think
23 the pictures looked pretty close. Really I guess here
24 in this particular circumstance, you have those two
25 things going on. You have, well, they have their

1 internal policy not to accept, you know, expired ID's.
2 And you have that number of people that just didn't
3 check at all, you know. I think those two things
4 together kind of led us to the level of the fine that
5 we're recommending on that case.

6 CHAIRMAN MATHEWSON: Any other questions of
7 Ed? Chair would accept a motion to adopt the position
8 of the staff on DC-12-106, please.

9 COMMISSIONER JONES: Move for the
10 acceptance of DC-12-106.

11 COMMISSIONER HATCHES: Second.

12 CHAIRMAN MATHEWSON: Any further
13 discussion? Call roll, Angie, please.

14 MS. FRANKS: Commissioner Hatches?

15 COMMISSIONER HATCHES: Approved.

16 MS. FRANKS: Commissioner Jones?

17 COMMISSIONER JONES: Approved.

18 MS. FRANKS: Commissioner Bradley?

19 COMMISSIONER BRADLEY: Approved.

20 MS. FRANKS: Chairman Mathewson?

21 CHAIRMAN MATHEWSON: Approved.

22 MS. FRANKS: By your vote you've adopted
23 DC-12-106.

24 MR. GREWACH: Under Tab G we have
25 a preliminary order against Harrah's Maryland Heights.

1 We have a rule that prohibits any false or misleading
2 statements to be in any promotional materials. This
3 property sent out coupons, and on the coupon it said
4 receive ten Hit It Big entries. This case arose out
5 of a patron complaint. The patron received that
6 coupon, that mailing, and came to the property and was
7 actually given ten Powerball tickets instead of the
8 ten Hit It Big entries. In their response to our
9 letter, the property admitted that that was an error
10 in their mailing, and we are recommending a fine of
11 \$10,000 for that.

12 CHAIRMAN MATHEWSON: Any questions of Ed on
13 that one? Chair would accept a motion to adopt the
14 recommendation on 12-107, please.

15 COMMISSIONER HATCHES: Move for approval of
16 DC-12-107.

17 COMMISSIONER JONES: Second.

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

20 MS. FRANKS: Commissioner Hatches?

21 COMMISSIONER HATCHES: Approved.

22 MS. FRANKS: Commissioner Jones?

23 COMMISSIONER JONES: Approved.

24 MS. FRANKS: Commissioner Bradley?

25 COMMISSIONER BRADLEY: Approved.

1 MS. FRANKS: Chairman Mathewson?

2 CHAIRMAN MATHEWSON: Approved.

3 MS. FRANKS: By your vote you've adopted
4 DC-12-107.

5 CHAIRMAN MATHEWSON: Ed.

6 MR. GREWACH: Under Tab H we have a
7 preliminary order against Harrah's North Kansas City.
8 This occurred on October 15, 2011. A grandmother came
9 to the property to redeem a coupon. She thought it'd
10 be a very quick transaction, so she just left her
11 12-year-old grandson in the car while she ran in to do
12 this. Turned out it took more time than she
13 anticipated. The grandson got nervous and came into
14 the building to look for his grandmother. There was a
15 long line at the turnstile and only one security
16 officer there. The child -- the 12-year-old just
17 walked right past the turnstile and made a loop around
18 the property looking -- just made one lap around the
19 property looking for his grandmother. And then a
20 security officer saw him when he came back around,
21 called somebody else, they united him with his
22 grandmother. He was probably on the floor for, you
23 know, about a minute, you know, not a very long time.
24 But when we looked at the surveillance tape, we came
25 to the conclusion that really the root of the problem

1 was that they were inadequately staffed. They only
2 had this one security officer at this very busy
3 turnstile, so this kind of thing is more likely to
4 happen when you don't have proper staffing. So
5 because of that, we are recommending a fine of
6 \$10,000.

7 CHAIRMAN MATHEWSON: Oh, Eddie. I mean,
8 you know, I'm sitting here thinking -- and I know it'd
9 be a long memory for me to think about being 12 years
10 old -- but you know, kid probably was trying to do the
11 right thing. The grandma wasn't. Okay. Probably.
12 What do you want to do, Commissioners? I mean, that
13 just seems like that's a pretty big hit for a
14 situation that shouldn't have happened obviously.
15 Maybe the 12-year-old was a little bitty guy and the
16 guy couldn't even see him go through. I mean, how'd
17 he get in there? I mean, there's a turnstile there.
18 He had to get by it somehow. Maybe he came through
19 the exit turnstile.

20 MR. GREWACH: I think -- from the report,
21 and I didn't look at the surveillance video, but from
22 the report it looks like he just squeezed through.
23 And again, it was too busy for the security officer to
24 notice -- notice him. And -- but we're certainly open
25 to whatever. If the Commission feels that the fine on

1 the preliminary order should be adjusted, we certainly
2 have no problem redrafting that.

3 COMMISSIONER JONES: Do we know if there
4 were call-offs for this particular shift? Because
5 that kind of makes a difference, or it was just
6 scheduled that way?

7 MR. GREWACH: I don't know that I have the
8 answer to that question. I don't know that we -- I
9 don't know that we do know that information.

10 MS. TUCKER: Commissioners, I'm here on
11 behalf of Harrah's North Kansas City. I'm able to provide
12 a little bit of information if I might.

13 CHAIRMAN MATHEWSON: Yes, you are. But
14 would you please stand up and look at our lady so we
15 can transcribe it, please.

16 MS. TUCKER: Sure.

17 CHAIRMAN MATHEWSON: So she can hear you
18 and know your name and so forth.

19 MS. TUCKER: Great. Jennifer Tucker here
20 for Harrah's North Kansas City. My understanding of
21 what happened was, as Ed explained, the kid got a
22 little antsy because he was waiting. Our surveillance
23 shows that he was pacing around kind of outside the
24 casino. Apparently, there was another security
25 officer that was there, and he had to leave to go help

1 the EMT's. And as a result of that, there was
2 inadequate coverage at the front just for that brief
3 second. The kid darted in through the casino,
4 immediately darted back out. And apparently, when the
5 security officers gave statements, one of them
6 erroneously indicated that there was understaffing.
7 And I don't know what all the investigation report
8 says because I haven't read it, but my understanding
9 was there was appropriate staffing for the point of
10 the time during the day, and the -- one of the
11 security guard's attention was diverted by an EMT
12 situation at the time.

13 CHAIRMAN MATHEWSON: Thank you. Any
14 questions? Many times we've sat here and encouraged
15 the EMT situation, you know. When you have that many
16 people coming in and out of a casino, and we've even
17 had many from our -- some of our audience here at
18 least recognizing that in some of these smaller
19 communities where there's a casino, it's a lot closer
20 for someone that's having an emergency problem to go
21 to a casino looking for help. You know, that's the
22 closest place to go, you know, and they know that
23 there is people there generally that can help them. I
24 don't want to discourage the use of the EMT services.
25 I think that's a good thing, you know. Now, you're

1 going to say something to me.

2 MR. GREWACH: I was going to say cause I
3 didn't want to forget to mention that looking at the
4 record, there was a prior case back in February of
5 2010 where we made a finding of insufficient staffing
6 in the security for that property, but I just wanted
7 to mention that too.

8 CHAIRMAN MATHEWSON: Well --

9 COMMISSIONER JONES: But I don't think this
10 was -- yes and no it's insufficient staffing. I think
11 the intention was drawn because there was, I guess, an
12 emergency that this person had to attend to. So I
13 think, you know, my opinion, the staffing was there.
14 But you know, when you're, you know, when you have an
15 emergency someone has to attend to, so that draws that
16 attention and has that security officer going to
17 administer the emergency, so --

18 CHAIRMAN MATHEWSON: You know, this -- this
19 one caused me some heartburn. I really think I'm just
20 going to make a recommendation, and if you all want to
21 do it, fine. And if you don't, change it. I'm going
22 to make a recommendation just so they know that we
23 took this case up that we fine them \$2500 instead of
24 10,000. Now, you all make a motion to that degree or
25 change it, whatever you want to do, or make none.

1 comfortable adjusting the fine, but not at the level
2 you're suggesting.

3 CHAIRMAN MATHEWSON: All right. What would
4 you suggest?

5 COMMISSIONER HATCHES: That's what I'm
6 trying to figure out, how -- how we do that. Cause
7 I'm comfortable saying instead of ten five.

8 CHAIRMAN MATHEWSON: Then what I would like
9 you to do, sir, as Chair is to make a motion saying
10 that you want to make a \$5,000 fine in lieu of the
11 \$10,000 recommendation.

12 COMMISSIONER HATCHES: Right. But I want
13 to respect your recommendation for 2500, and how do we
14 do that?

15 COMMISSIONER JONES: There was no second.

16 CHAIRMAN MATHEWSON: No, I didn't make it
17 as a motion. All I said was that, you know, my
18 thought is reduce it down to 2500. However, if you as
19 a member of the Commission has another recommendation,
20 make it.

21 COMMISSIONER HATCHES: Okay. Just want to
22 respect the fact that you get --

23 CHAIRMAN MATHEWSON: Thank you. Thank you
24 for respecting that.

25 COMMISSIONER JONES: And he's high sitting

1 up in the big chair.

2 CHAIRMAN MATHEWSON: I'm sitting up in the
3 big chair. I'm looking down on you.

4 COMMISSIONER HATCHES: I don't want to get
5 confused here cause I still have to get out of here.

6 CHAIRMAN MATHEWSON: It's a long ways back.
7 You want me to make your motion for you?

8 COMMISSIONER HATCHES: Yeah. No, no. We
9 want to -- so we move -- I make a motion to accept
10 your recommendation, but reduce the amount?

11 MR. GREWACH: Right. Adopt the resolution.

12 COMMISSIONER HATCHES: Adopt the
13 resolution, but change the fine amount --

14 MR. GREWACH: But with a change in the fine
15 amount to --

16 COMMISSIONER HATCHES: Fine amount from
17 10,000 to 5,000.

18 CHAIRMAN MATHEWSON: Is that now your
19 motion?

20 COMMISSIONER HATCHES: Yes, sir.

21 CHAIRMAN MATHEWSON: Is there a second to
22 that motion?

23 COMMISSIONER JONES: Second.

24 CHAIRMAN MATHEWSON: Any further
25 discussion? Call roll, Angie, please.

1 MS. FRANKS: Commissioner Hatches?
2 COMMISSIONER HATCHES: Approved.
3 MS. FRANKS: Commissioner Jones?
4 COMMISSIONER JONES: Approved.
5 MS. FRANKS: Commission Bradley?
6 COMMISSIONER BRADLEY: Approved. Do we
7 need to put the letters, the DC-12-108, with that?
8 CHAIRMAN MATHEWSON: Angie's doing that,
9 yes.
10 COMMISSIONER BRADLEY: Yes.
11 MS. FRANKS: Chairman Mathewson?
12 CHAIRMAN MATHEWSON: Yes.
13 MS. FRANKS: Now we need to have a motion
14 on the recommendation as amended.
15 CHAIRMAN MATHEWSON: Okay.
16 COMMISSIONER JONES: Move to accept the
17 recommendation as amended.
18 COMMISSIONER BRADLEY: Second.
19 CHAIRMAN MATHEWSON: Any further
20 discussion? Call role, Angie, please.
21 MS. FRANKS: Commissioner Hatches?
22 COMMISSIONER HATCHES: Approved.
23 MS. FRANKS: Commissioner Jones?
24 COMMISSIONER JONES: Approved.
25 MS. FRANKS: Commissioner Bradley?

1 COMMISSIONER BRADLEY: Approved.

2 MS. FRANKS: Chairman Mathewson?

3 CHAIRMAN MATHEWSON: Approved.

4 MS. FRANKS: By your vote you've adopted
5 DC-12-108 as amended.

6 CHAIRMAN MATHEWSON: Thank you. Ed, you're
7 not done?

8 MR. GREWACH: No, no. I'd be happy to you
9 if you --

10 CHAIRMAN MATHEWSON: Let's go to rules.
11 You want to?

12 MR. GREWACH: Rules, rules. One of my
13 favorite topics. Under Tab I you'll see two proposed
14 rules. The first deals with promotional activity.
15 Not to go over every change in here, but just
16 generally this -- what this does is creates a
17 definition for the general umbrella of promotional
18 activity. Before whenever we talked about a
19 promotional activity, we'd have to call it a
20 promotional giveaway, promotional game, and this way
21 we can have just one broad category that everything
22 applies to. In Paragraph F you'll see that it then
23 talks about player reward programs. Been around
24 forever, but we've just never really mentioned them
25 before in the -- in the area of promotional activities

1 under this particular rule.

2 On the second page, you'll see on Paragraph
3 3 that we're requiring any change or cancellation of
4 promotional activity to be approved by the Commission
5 prior to the change of cancellation. You know, the
6 reason we're looking at that is that you're going to
7 have some people -- you know, some patron complaints
8 arise out of that, you know. They have -- they see an
9 advertisement saying that a certain promotional
10 giveaway will happen after every Cardinals home game
11 they win or, you know, something like that. So based
12 on that advertisement, they go to the property and the
13 property tells them, well, no, we've cancelled that.
14 So we need to know when those are so we can look at it
15 and see if we think that might give some rise to some
16 risk of misleading advertising or promotion going on
17 there. It states our position, which it always has
18 been, that pay-outs from promotional activities are
19 not deductible when you calculate the AGR.

20 It also, again, when you look down at
21 Paragraph 6 on the second page, we state again what
22 has been our practice, and that's that we don't apply
23 these rules to coupons that are sent out by mass media
24 for food, not gaming related. So we don't really want
25 to have to deal with that level of scrutiny or -- on

1 those types of promotions that are just mass media for
2 food at the properties. And that is basically that.

3 Now, the other one -- because I think these
4 two are together -- in Chapter N is just to correct a
5 clerical error, an omission of some words that were in
6 the draft, and this proposed amendment just corrects
7 that problem, but doesn't make any substantive changes
8 to that section.

9 CHAIRMAN MATHEWSON: Questions of Ed on
10 those resolutions or proposed amendments to the
11 resolution? Any questions? Chair will accept a
12 motion to adopt to change the amendments one and two
13 as they're part of the same section. Right, Ed?

14 MR. GREWACH: Yes.

15 CHAIRMAN MATHEWSON: Chair will accept a
16 motion.

17 COMMISSIONER BRADLEY: Okay. Move to
18 approve the proposed amendment 11 CSR 45-5.181 and
19 11 CSR 45-9.114.

20 COMMISSIONER HATCHES: Second.

21 CHAIRMAN MATHEWSON: Thank you, thank you.
22 Any further discussion? Call roll, Angie, please.

23 MS. FRANKS: Commissioner Hatches?

24 COMMISSIONER HATCHES: Approved.

25 MS. FRANKS: Commissioner Jones?

1 COMMISSIONER JONES: Approved.

2 MS. FRANKS: Commissioner Bradley?

3 COMMISSIONER BRADLEY: Approved.

4 MS. FRANKS: Chairman Mathewson?

5 CHAIRMAN MATHEWSON: Approved.

6 MS. FRANKS: By your vote you've adopted
7 the proposed amendments 11 CSR 45-5.181 and 11 CSR
8 45-9.114.

9 MR. GREWACH: Under Tab J you have an
10 order -- a final order of rulemaking. This is on
11 Chapter R forms. We did receive some comments from
12 the industry through the Missouri Gaming Association.
13 Without going item by item through them, I can tell
14 you that we did adopt a number of their comments and
15 make the changes. Some we had to deny their request
16 and most -- most of the times that happened it was
17 because we have terms we want to keep consistent
18 between this rule and others, so we didn't want to
19 change titles or names or definitions so that they
20 conflict. We wanted to keep everything consistent.
21 So -- but for the most part, I think if anyone has any
22 specific questions about the comments or which ones
23 were or were not adopted by us in the rule writing
24 process, we'd be happy to have Cheryl Alonzo answer
25 those. Otherwise, that's basically what we have here.

1 CHAIRMAN MATHEWSON: Any questions of Ed or
2 Cheryl on that? Chair will accept a motion for
3 adoption of the final order of rulemaking CSR
4 45-9.118.

5 COMMISSIONER HATCHES: Move for adoption of
6 final order of rulemaking 11 CSR 45-10 -- dash 9.118.

7 COMMISSIONER JONES: Second.

8 CHAIRMAN MATHEWSON: Any further
9 discussion? Call roll, Angie, please.

10 MS. FRANKS: Commissioner Hatches?

11 COMMISSIONER HATCHES: Approved.

12 MS. FRANKS: Commissioner Jones?

13 COMMISSIONER JONES: Approved.

14 MS. FRANKS: Commissioner Bradley?

15 COMMISSIONER BRADLEY: Approved.

16 MS. FRANKS: Chairman Mathewson?

17 CHAIRMAN MATHEWSON: Approved.

18 MS. FRANKS: By your vote you've adopted
19 the final order of rulemaking 11 CSR 45-9.118.

20 CHAIRMAN MATHEWSON: Let me just first of
21 all tell our guests that may not understand what we're
22 doing. This Commission's been in existence how long,
23 14 years or something like that? Whatever it's been.
24 None of us have been on here that long, although
25 Darryl's pushing it. He's a good commissioner. He

1 just stays and stays.

2 But any rate, what -- what often occurs
3 here, as you can see, something we just did. We're
4 always a work in progress and always will be because
5 things change. And so consequently, almost every
6 meeting -- we meet once a month, and just so you know,
7 we get -- they get the big salary of a hundred dollars
8 a month. I get to sit in the big chair, and I get
9 \$200 a month for coming to LaGrange. So -- so we are
10 constantly reviewing. Our legal counsel and our staff
11 are constantly reviewing rules and regulations and
12 those changes that occur. I mean, that's just
13 ongoing.

14 And so I share that with you that -- that
15 what we did this morning was really corrective of
16 nature, and generally they always are. But you know,
17 I just think it's -- you'd want to know if you wonder
18 what the heck we're doing with this sort of thing that
19 we're constantly doing that because things occur that
20 changes business or changes what we feel like. And I
21 would also tell you with some -- with not a little
22 amount but a total amount of respect for the previous
23 commissions and for this one and staff is that we are
24 considered in United States -- and there's casinos
25 about everywhere -- we are tough. We look real close

1 at what's going on, and our staff does a good job of
2 keeping us up to speed on that, so I just wanted to
3 share that with you.

4 Now, the other thing is I want to thank the
5 City for having us and, you know, and giving us the
6 space here this morning. Jerry Brant, let me say this
7 to you, sir. We normally -- not normally, I mean,
8 just it's a hard and cold practice. We normally
9 unless someone has requested to be on the agenda, they
10 aren't on the agenda. Okay? Cause we try to keep a
11 pretty tight agenda schedule. But you visited with me
12 a little bit outside there. Unless there's an
13 objection from a member of the Commission, we would
14 allow you to come forward and identify yourself, and
15 what you told me is you have one question you want to
16 ask; right?

17 MR. BRANT: I was really wanting two right
18 now.

19 CHAIRMAN MATHEWSON: Well, now you're up to
20 two. That's my problem right there, Jerry. I mean,
21 you might get to three. Anybody object? He has a
22 question that he wants to ask us that's been bugging
23 him for a long time.

24 MR. BRANT: My first question is you say
25 you get \$200 a month.

1 CHAIRMAN MATHEWSON: Yeah.

2 COMMISSIONER HATCHES: He does.

3 CHAIRMAN MATHEWSON: I do. They get a
4 hundred.

5 MR. BRANT: That would help my Social
6 Security. How do I apply for your job?

7 CHAIRMAN MATHEWSON: Hey, partner, you can
8 have it.

9 MR. BRANT: My real question is I want to
10 know and have the Gaming Commission to state whether
11 or not they mandate that LaGrange have eight police
12 officers or seven or six or five.

13 CHAIRMAN MATHEWSON: Or a mandate at all.

14 MR. BRANT: Will you mandate any police
15 officers at all?

16 CHAIRMAN MATHEWSON: In a community, in a
17 community.

18 MR. BRANT: Right.

19 CHAIRMAN MATHEWSON: Which that's your
20 question, isn't it?

21 MR. BRANT: Yes, sir.

22 CHAIRMAN MATHEWSON: Ed, would you respond
23 to that, sir?

24 MR. GREWACH: Sure. We do not. We would
25 not have any jurisdiction over that.

1 MR. BRANT: That's all I need to know.

2 Thank you for asking.

3 CHAIRMAN MATHEWSON: Okay. Thank you,
4 Jerry. Thanks for coming to the meeting. We're about
5 to adjourn here, aren't we, Roger?

6 MR. STOTTLEMYRE: Closed.

7 COMMISSIONER JONES: We're going into
8 closed. Okay. And then what's our schedule? We're
9 going over to the casino.

10 MR. STOTTLEMYRE: Yes, we will.

11 CHAIRMAN MATHEWSON: Okay. So if there's
12 no other public business then -- you're looking at me
13 like you want to say something, Ed.

14 MR. GREWACH: Oh, me? No.

15 CHAIRMAN MATHEWSON: Don't be looking at me
16 like you want to say something. Okay.

17 MR. STOTTLEMYRE: We need a motion to
18 close.

19 MR. GREWACH: You're sitting higher than
20 me, Mr. Chairman. I can't help it.

21 CHAIRMAN MATHEWSON: Chair will accept a
22 motion to go into closed meeting, please.

23 COMMISSIONER HATCHES: A motion for closed
24 meeting under Section 313.847, Investigatory,
25 Proprietary and Application Records, and 610.021,

1 Section 1 and Section 14. Portions of this closed
2 meeting will be held at the Mark Twain Casino, 104
3 Pierce Street, LaGrange, Missouri, in connection with
4 a tour of the casino.

5 CHAIRMAN MATHEWSON: Very good.

6 COMMISSIONER BRADLEY: Second.

7 CHAIRMAN MATHEWSON: Second. Call roll,
8 Angie, please.

9 MS. FRANKS: Commissioner Hatches?

10 COMMISSIONER HATCHES: Approved.

11 MS. FRANKS: Commissioner Jones?

12 COMMISSIONER JONES: Approved.

13 MS. FRANKS: Commissioner Bradley?

14 COMMISSIONER BRADLEY: Approved.

15 MS. FRANKS: Chairman Mathewson?

16 CHAIRMAN MATHEWSON: Approved.

17 (Wherein the proceedings concluded at 9:37 a.m.)

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CERTIFICATE OF REPORTER

I, Melissa Bennett, CCR for the State of Missouri, do hereby certify that the meeting aforementioned was held on the time and in the place previously described.

Melissa Bennett

CCR #1307(T)

MISSOURI GAMING COMMISSION
Second Open Session Minutes
March 28, 2012

The Missouri Gaming Commission (the “Commission”) went into open session at approximately 10:53 a.m. on March 28, 2012, at the Missouri Gaming Commission’s Jefferson City Office, Jefferson City, MO.

Commissioner Hatches moved to adjourn the open session meeting. Commissioner Jones seconded the motion. After a roll call vote was taken, the motion passed unanimously.

The open session ended at 10:54 a.m.