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BEFORE THE MISSOURI GAMING COMMISSION

STATE OF MISSOURI

Meeting
December 6, 2017
9:00 a.m.
Central Office
3417 Knipp Drive
Jefferson City, Missouri

(Meeting start time: 9:00 a.m.)

1	AGENDA	
2		Page
3	I. Call to Order	10
4	II. Consideration of Minutes	13
5	A. October 24, 2017	
6	B. October 25, 2017	
7	III. Consideration of Licensure of Key Business Entity and Joint Petition for Approval of Change of Control	16
8	C. Resolution No. 17.057	
9	IV. Consideration of Licensure of Certain Fantasy Sports Contest Operators	18
10	D. FanDuel Inc.	
11	* Presentation by Applicant	
12	* Investigative Summary	
13	* Staff Recommendation	
14	E. Fantasy Draft, LLC	
15	* Presentation by Applicant	
16	* Investigative Summary	
17	* Staff Recommendation	
18	F. SportsHub Technologies, LLC d/b/a CDM Sports	
19	* Presentation by Applicant	
20	* Investigative Summary	
21	* Staff Recommendation	
22	* Motion to Close Meeting Under Sections 313.945, RSMO, Investigatory, Proprietary and Application Records, and 610.021(14) RSMO, Records Protected from Disclosure by Law.	62
23	1. Resolution No. 17-054 (FanDuel, Inc.)	
24	2. Resolution No. 17-055 (Fantasy Draft, LLC)	
25	3. Resolution No. 17-056 (SportsHub Technologies, LLC d/b/a CDM Sports)	
26	V. Consideration of Licensure of Level I and Key Applicants	65
27	G. Resolution No. 17-058	

1	AGENDA	
2		Page
3	VI. Consideration of Relicensure of Certain Supplier	68
4	H. Everi Payments, Inc.	
5	1. Resolution No. 17-059	
6	VII. Consideration of Rules and Regulations	70
7	I. Rescission of Rules and Regulations that Overlap, Duplicate or Conflict with a Statute or Another Rule	
8	1. 11 CSR 45-4.070 - Competitiveness Standards	
9	2. 11 CSR 45-4-430 - Waiver of Requirements	
10	3. 11 CSR 45-5-280 - Forfeiture of Illegal Winnings	
11	4. 11 CSR 45-6.050 - Limited License	
12	5. 11 CSR 45-7.140 - Requests for Exemptions	
13	6. 11 CSR 45-8.160 - Extension of Time for Reporting	
14	7. 11 CSR 45-10.070 - Effect of Another Jurisdiction's Orders	
15	8. 11 CSR 45-10.115 - List of Barred Persons	
16	9. 11 CSR 45-11.170 - Exemptions	
17	10. 11 CSR 45-11.180 - Estoppel	
18	11. 11 CSR 45-30.500 - Bingo on Military Installations	
19	12. 11 CSR 45-31.005 - Procedures for Disciplinary Actions and Hearings	
20	J. Rescission of Rules and Regulations that are Unnecessary, Not Essential to the Health, Safety or Welfare of Missouri Residents, or are Obsolete	
21	1. 11 CSR 45-1.040 - Enrollment of Attorneys and Scope of Practice	
22	2. 11 CSR 45-5.020 - Posting of Address of Commission	
23	3. 11 CSR 45-5.250 - Finder's Fees	
24	4. 11 CSR 45-6.060 - Excursions During Inclement Weather or Mechanical Difficulties	
25	5. 11 CSR 45-10.080 - Fair Market Value of Contracts	
	6. 11 CSR 45-14.010 - Policy	

1	AGENDA		
2			Page
3	7. 11 CSR 45-14.020 - Determination to		
4	Seek Supervisor		
5	8. 11 CSR 45-14.030 - Authority of		
6	Supervisor		
7	9. 11 CSR 45-14.040 - Termination		
8	10. 11 CSR 45-14.050 - Distribution of		
9	Earnings to Former Legal Owners		
10	11. 11 CSR 45-16.010 - Definitions		
11	12. 11 CSR 45-16.020 - Registration		
12	Required		
13	13. 11 CSR 45-16.030 - Registration		
14	Exemption		
15	14. 11 CSR 45-16.040 - Information		
16	Required of Local Labor		
17	Organization		
18	15. 11 CSR 45-16.050 - Information		
19	Required of Listed Labor		
20	Organization Personnel		
21	16. 11 CSR 45-16.060 - Commission May		
22	Require Certain Persons to Provide		
23	Information		
24	17. 11 CSR 45-16.070 - Required Revisions		
25	of List		
	18. 11 CSR 45-16.080 - Interest in Class		
	A License Prohibited		
	19. 11 CSR 45-16.090 - Failure to		
	Comply - Consequences		
	K. Rescission of Rules and Regulations for		
	which the Cost of the Regulation		
	Outweigh Their Benefits		
	1. 11 CSR 45-5.400 - Junket, Junket		
	Enterprises, Junket		
	Representatives - Definitions		
	2. 11 CSR - 45-5.410 - Junket		
	Enterprise; Junket Representative;		
	Agents; Employees - Policies and		
	Prohibited Activities		
	3. 11 CSR 45-5.420 - Junket - Agreements		
	and Final Reports		

1	AGENDA	
2		Page
3	L. Rescission of Rules and Regulations	
4	Relating to Horse Racing	
5	1. 11 CSR 45-60.010 - Commission	
6	Officials	
7	2. 11 CSR 45-60.020 - Judges	
8	3. 11 CSR 45-60.025 - Stewards	
9	4. 11 CSR 45-60.030 - Commission	
10	Veterinarian	
11	5. 11 CSR 45-60.040 - Commission	
12	Laboratory	
13	6. 11 CSR 45-60.050 - Suspensions	
14	7. 11 CSR 45-60.055 - Effect of	
15	Suspension or Revocation on Spouse	
16	8. 11 CSR 45-60.060 - Conflict Between	
17	U.S.T.A and Commission Rules	
18	9. 11 CSR 45-31.010 - General	
19	Considerations	
20	10. 11 CSR 45-61.015 - Thoroughbred	
21	Association Officials	
22	11. 11 CSR 45-61.020 - Racing Secretary	
23	12. 11 CSR 45-61.021 - Racing Secretary	
24	(Thoroughbred)	
25	13. 11 CSR 45-61.022 - Paddock Judge -	
26	Thoroughbred	
27	14. 11 CSR 45-61.023 - Horse Identifier -	
28	Thoroughbred	
29	15. 11 CSR 45-61.024 - Clerk of Sales	
30	16. 11 CSR 45-61.025 - Starter	
31	17. 11 CSR 45-61.026 - Timer	
32	18. 11 CSR 45-61.027 - Patrol and Placing	
33	Judges	
34	19. 11 CSR 45-61.028 - Association	
35	Veterinarian	
36	20. 11 CSR 45-61.029 - Jockey Room	
37	Custodian and Valet Attendants	
38	21. 11 CSR 45-61.030 - Adoption of Rule 6	
39	of U.S.T.A.	
40	22. 11 CSR 45-62.010 - General	
41	Requirements	
42	23. 11 CSR 45-62.020 - Commission Offices	
43	24. 11 CSR 45-62.030 - Ejection	
44	25. 11 CSR 45-62.035 - Stands for	
45	Officials - Thoroughbred and Quarter	
46	Horse	
47	26. 11 CSR 45-62.040 - Racing Surfaces	
48	27. 11 CSR 45-62.050 - Public Information	

	AGENDA	
		Page
1		
2		
3	28. 11 CSR 45-62.055 - Program	
4	29. 11 CSR 45-62.060 - Numbers of Races per Performance	
5	30. 11 CSR 45-62.070 - Appointment of Racing Officials and Department Heads	
6	31. 11 CSR 45-62.080 - Trust Funds	
7	32. 11 CSR 45-62.090 - Condition Book	
8	33. 11 CSR 45-62.100 - Photo-Finish Equipment	
9	34. 11 CSR 45-62.110 - VTR Equipment	
10	35. 11 CSR 45-62.120 - Photograph Posted	
11	36. 11 CSR 45-62.130 - Driver's Stand	
12	37. 11 CSR 45-62.140 - Starting Gate	
13	38. 11 CSR 45-62.145 - Distance Poles (Thoroughbred and Quarter Horse)	
14	39. 11 CSR 45-62.150 - Detention Enclosure	
15	40. 11 CSR 45-62.160 - Grounds, Facilities, Water and Sewage	
16	41. 11 CSR 45-62.170 - Safety and Medical Aid	
17	42. 11 CSR 45-62.180 - Fire Protection	
18	43. 11 CSR 45-62.190 - Stable and Ground Security	
19	44. 11 CSR 45-62.200 - Electric Timing Device	
20	45. 11 CSR 45-62.205 - Lighting	
21	46. 11 CSR 45-62.210 - Patrol Judge's Communication	
22	47. 11 CSR 45-62.220 - Hippodroming Ban	
23	48. 11 CSR 45-62.230 - Communication System	
24	49. 11 CSR 45-62.240 - Primary and Secondary Liability	
25	50. 11 CSR 45-62.250 - Listening Devices	
	51. 11 CSR 45-62.260 - Payment of Purses	
	52. 11 CSR 45-65.010 - General Provisions for Class C Licenses	
	53. 11 CSR 45-65.020 - Specific Licenses	
	54. 11 CSR 45-65.030 - Fees	
	55. 11 CSR 45-65.035 - Prohibited Acts	
	56. 11 CSR 45-65.040 - Duties of Specific Licensees	
	57. 11 CSR 45-67.010 - Ejection of Patrons	
	58. 11 CSR 45-70.010 - Rules of Racing - Harness	

	AGENDA	Page
1		
2		
3	59. 11 CSR 45-70.011 - Rules of Racing - Thoroughbred and Quarter Horse	
4	60. 11 CSR 45-70.012 - Claiming	
5	61. 11 CSR 45-70.040 - Bleeder List	
6	62. 11 CSR 45-80.010 - General	
7	63. 11 CSR 45-80.020 - Pools Authorized	
8	64. 11 CSR 45-80.030 - Win Pool	
9	65. 11 CSR 45-80.040 - Place Pool	
10	66. 11 CSR 45-80.050 - Show Pool	
11	67. 11 CSR 45-80.060 - Daily Double Pool	
12	68. 11 CSR 45-80.070 - Quinella Pool	
13	69. 11 CSR 45-80.080 - Exacta Pool (also known as Perfecta)	
14	70. 11 CSR 45-80.090 - Trifecta (Triple) Pool	
15	71. 11 CSR 45-80.091 - Twin Trifecta (Double Triple) Pool	
16	72. 11 CSR 45-80.100 - Refunds	
17	73. 11 CSR 45-80.110 - Race Cancelled	
18	74. 11 CSR 45-80.120 - Totalisator Breakdown	
19	75. 11 CSR 45-80.130 - Minimum Wager and Payoff	
20	76. 11 CSR 45-80.140 - Odds or Payoffs Posted	
21	77. 11 CSR 45-80.150 - Betting Explanation	
22	78. 11 CSR 45-80.160 - Pools Dependent Upon Entries	
23	79. 11 CSR 45-80.170 - Pari-Mutuel Ticket Sales	
24	80. 11 CSR 45-80.180 - Payment	
25	81. 11 CSR 45-80.190 - Responsibility for Posting Results	
	82. 11 CSR 45-80.200 - Verification of Payoffs	
	83. 11 CSR 45-80.210 - Over and Under Payments of Payoffs	
	85. 11 CSR 45-80.230 - Emergency Situations	
	86. 11 CSR 45-80.240 - Totalisator Employees	
	87. 11 CSR 45-80.250 - Remission of Outs and Breakage	
	88. 11 CSR 45-90.010 - Judges' Summary Hearings	

1 BEFORE THE MISSOURI GAMING COMMISSION

2 STATE OF MISSOURI

3

4

5 Meeting
6 December 6, 2017
7 9:00 a.m.
8 Central Office
9 3417 Knipp Drive
10 Jefferson City, Missouri

9

10 COMMISSIONERS PRESENT: Daniel P. Finney, III
11 Brian Jamison
12 Herbert M. Kohn
 Thomas Neer
 Richard F. Lombardo

13 REPORTED BY:
14 Sarah Pokorski
15 CCR No. 745
16 3432 West Truman Boulevard
17 Suite 207
18 Jefferson City, Missouri 65109
19 573-636-7551

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1 * * * WEDNESDAY, DECEMBER 6, 2017 * * *

2 (Start time of the hearing: 9:10 a.m.)

3 CHAIRMAN KOHN: Morning everybody. We are
4 ready to begin. Sorry for the slight delay. And as
5 you can tell, we have a very full agenda today, and
6 we'll be talking about that a little bit more before
7 we dive into it. But we'll call the meeting to order
8 of the December 6th Missouri Gaming Commission.
9 Angie, please take the roll.

10 MS. FRANKS: Commissioner Finney.

11 COMMISSIONER FINNEY: Present.

12 MS. FRANKS: Commissioner Lombardo.

13 COMMISSIONER LOMBARDO: Present.

14 MS. FRANKS: Commissioner Neer.

15 COMMISSIONER NEER: Present.

16 MS. FRANKS: Commissioner Jamison.

17 COMMISSIONER JAMISON: Present.

18 MS. FRANKS: Chairman Kohn.

19 CHAIRMAN KOHN: Present. We have a quorum.
20 100-percent quorum. We're ready to proceed. We have
21 an employee recognition ceremony, which we always
22 like. And that will be handled by Deputy Director
23 McGrail. Tim?

24 MR. MCGRAIL: Thank you. Good morning,
25 everyone. If I could have Nik Deshpande and Angela

1 Wallace come forward, first. So we'll recognize these
2 two employees today for their milestone years of
3 service with this organization. Nik has been with us
4 for five years. He works in our IT, recently had
5 transferred to the web development team down in our IT
6 department. So again, very thankful for having Nik
7 here as an employee of MGC. Other employee is Angela
8 Wallace. She's with our administrative section. She
9 handles a lot of the reimbursable invoice and billing,
10 the nice letters that you receive from MGC quarterly
11 on that. And actually, Angela's been here for 15
12 years. So we need to recognize both of these
13 employees, again, for their years of service and the
14 work and dedication that they do for the State. And
15 now you move in together and we're going to get a nice
16 picture to put on the blog.

17 MS. WALLACE: Thank you.

18 MR. DESHPANDE: Thank you.

19 CHAIRMAN KOHN: And Angela and Nik, let --
20 let us add our congratulations and -- and sincere
21 appreciation for all the work that you do. And Nik in
22 IT, as a lawyer, I want you to know, I will never be a
23 competitor for your position.

24 MR. DESHPANDE: Thank you.

25 COMMISSIONER LOMBARDO: Or any of us.

1 MR. MCGRAIL: I have one more recognition
2 for today. And this is the Missouri Gaming Commission
3 employee of the quarter. As you understand last
4 quarter, our employee of the quarter was MGC
5 receptionist Deb McDaniel, nice lady that's always
6 there to welcome you up front. This quarter, our
7 employee of the month is coming from the Kansas City
8 area. This employee is proving to be a valuable part
9 of our audit team. He -- he exhibits willingness to
10 learn technical material. He has a quick
11 understanding of the information that is being
12 reviewed and questioned. And he takes the initiative
13 to gain understanding when he's not familiar with the
14 processes and information. So if I could ask David
15 Jones, who's our -- one of our compliance auditors, to
16 come forward. David was nominated for this award
17 after working on the revised Chapter S audit process
18 with our electronic gaming device staff. Our EGD
19 staff was grateful for the new perspective that David
20 brought to them from our audit department, and for
21 this, we salute David Jones for being our MGC employee
22 of the quarter.

23 MR. JONES: Thank you.

24 MR. MCGRAIL: Here you go.

25 CHAIRMAN KOHN: David, congratulations.

1 You appear to be a bit surprised.

2 MR. JONES: Thank you very much. Yes.

3 CHAIRMAN KOHN: Well, and we want to add
4 some employee recognition of our own. This is the
5 last meeting of the year, and during the year, we have
6 recognized many of our wonderful staff. But there are
7 three people that we failed to recognize that those of
8 us on the commission have more contact with than
9 anyone. And I just want to take a minute to thank Ed
10 Grewach, our -- our lawyer; Tim McGrail, our deputy
11 director; and especially Bill Siebert, our executive
12 director, for all the wonderful contact we have with
13 you during the year, and all the help you give us.
14 Makes our job much easier. So thank you very much.

15 MR. MCGRAIL: Thank you. We appreciate it.

16 CHAIRMAN KOHN: The first order of business
17 for the meeting -- actually, I guess the third or
18 fourth -- will be the consideration of the minutes
19 from the October 24 and October 25 meetings. Those --
20 that was a two-day meeting we had in Caruthersville
21 and Cape Girardeau. Is there a motion to approve
22 those minutes?

23 COMMISSIONER LOMBARDO: Motion to approve.

24 COMMISSIONER FINNEY: Second.

25 CHAIRMAN KOHN: Angie, please call the

1 roll.

2 MS. FRANKS: Commissioner Finney.

3 COMMISSIONER FINNEY: Approve.

4 MS. FRANKS: Commissioner Lombardo.

5 COMMISSIONER LOMBARDO: Approve.

6 MS. FRANKS: Commission Neer.

7 COMMISSIONER NEER: Approve.

8 MS. FRANKS: Commissioner Jamison.

9 COMMISSIONER JAMISON: Approved.

10 MS. FRANKS: Chairman Kohn.

11 CHAIRMAN KOHN: Approved.

12 MS. FRANKS: By your vote, you've adopted
13 the minutes of the October 24th and 25th, 2017
14 meetings.

15 CHAIRMAN KOHN: So let me tell you -- spend
16 a couple minutes telling you how today's going to
17 work, because it's a -- a bit of an unusual meeting
18 for us. In addition to having a very lengthy agenda
19 which you've seen, including a -- a review of many of
20 the rules and regulations which the governor has asked
21 all commissions and departments to take a look at to
22 see which ones could be eliminated or modified --
23 we'll be doing that later on in the session, and we'll
24 try and get through those as expeditiously as
25 possible.

1 With respect to the consideration of
2 licensure of certain fantasy sports contest operators,
3 here's how that's going to work. We'll have our
4 presentations here in open session. The applicants
5 were asked to present their financial statements among
6 all the other materials that was requested. And those
7 financial statements were submitted on a confidential
8 basis. And we will honor that confidentiality. So
9 after we have had the presentations, after the
10 commission has asked the questions that we think are
11 appropriate, we will go into closed session, and at
12 that time, address the financial aspects of the
13 questions that we have of the applicants. We will
14 then come back out after that closed session -- which
15 will only be for that purpose -- conduct the rest of
16 the meeting, and then go back into our normal closed
17 session at the end of that -- when we have concluded
18 all the other agenda items on the open agenda. I hope
19 that makes sense. And I hope everyone is okay with
20 doing that. We should also note that one of the
21 applicants had an airplane malfunction and will not
22 appear here today. So it'll only be two of those
23 presentations.

24 Okay. With all that, we are ready for
25 business. Mr. Siebert.

1 MR. SIEBERT: First order of business is
2 Consideration of Licensure of Key Business Entity and
3 Joint Petition for Approval of Change of Control.
4 Master Sergeant Sammy Seaton will make the
5 presentation. We also have Ms. Sabina Stockel who's
6 here, a Novamatic attorney. And if there's any
7 introductions that need to be made, Ms. Stockel will
8 make those introductions.

9 CHAIRMAN KOHN: So we're starting with
10 Sergeant Seaton?

11 MR. SIEBERT: Yes, sir.

12 CHAIRMAN KOHN: Sergeant?

13 MR. SEATON: Mr. Chairman, Commissioners,
14 good morning. Investigators with the Missouri State
15 Highway Patrol and the Missouri Gaming Commission
16 conducted suitability investigations on three
17 interrelated companies which have applied for
18 licensure as key business entities related to a
19 current MGC licensed supplier company Ainsworth Game
20 Technology Limited. These investigations included,
21 but were not limited to inquiries with national and
22 international law enforcement; jurisdictional and
23 other governmental agencies; a review of regulatory
24 disciplinary actions, litigation and financial
25 matters. In addition, suitability investigations were

1 also conducted on the key persons associated with each
2 company. The results of these investigations were
3 provided to the MGC staff for their review, and the
4 investigating officers are present to answer any
5 questions you might have. The following key business
6 entity applicants are being presented for your
7 consideration: Gryphon Invest, AG, Zurich,
8 Switzerland; Novo Invest GMBH; and Novamatic AG, both
9 of Gumpoldskirchen, Austria.

10 CHAIRMAN KOHN: I'm not sure what you want
11 to do now. Are we going to hear from someone else
12 first, or are we going to take questions of the
13 sergeant? You said there's someone else here to make
14 a presentation.

15 MR. SIEBERT: If there is questions to be
16 asked, they have a representative.

17 CHAIRMAN KOHN: I see. Okay. For the
18 questions. All right. Are there any questions of
19 Sergeant Seaton from the commission? May not be any.

20 COMMISSIONER JAMISON: No, there is.

21 CHAIRMAN KOHN: Okay.

22 COMMISSIONER FINNEY: No, sir.

23 CHAIRMAN KOHN: Okay. Any questions?

24 COMMISSIONER NEER: No, sir.

25 COMMISSIONER LOMBARDO: What is staff's

1 recommendation?

2 MR. SIEBERT: Staff recommendation is
3 approval.

4 CHAIRMAN KOHN: Is there a motion with
5 regard to Resolution Number 17-057?

6 COMMISSIONER LOMBARDO: Motion to approve.

7 COMMISSIONER JAMISON: Second.

8 CHAIRMAN KOHN: Discussion on the motion?
9 Angie.

10 MS. FRANKS: Commissioner Finney.

11 COMMISSIONER FINNEY: Approve.

12 MS. FRANKS: Commissioner Lombardo.

13 COMMISSIONER LOMBARDO: Approve.

14 MS. FRANKS: Commissioner Neer.

15 COMMISSIONER NEER: Approve.

16 MS. FRANKS: Commissioner Jamison.

17 COMMISSIONER JAMISON: Approve.

18 MS. FRANKS: Chairman Kohn.

19 CHAIRMAN KOHN: Approve.

20 MS. FRANKS: By your vote, you've adopted
21 Resolution Number 17-057.

22 CHAIRMAN KOHN: Thank you, Sergeant.
23 Mr. Siebert.

24 MR. SIEBERT: Next order of business is
25 Consideration of Licensure of Certain Fantasy Sports

1 Contest Operators. The first one will be FanDuel,
2 Incorporated. And the presentation will be made by
3 Mr. Cory Fox, Counsel, Policy and Government Affairs.

4 CHAIRMAN KOHN: Mr. Fox.

5 MR. FOX: Good morning. So it looks like
6 you guys have a long agenda, so I'll try to keep this
7 brief and cut it down from the two hours I had
8 planned. So we're going to talk a little bit about
9 what FanDuel is and where we come from, our history,
10 and who some of our investors are. And then there
11 were two questions asked in a letter we received: one
12 about how we conduct -- excuse me -- identity
13 verification; and the other about how we segregate
14 funds to make sure they're protected for our
15 consumers. So I'm going to address those briefly as
16 well.

17 So this is sort of the core gameplay of
18 FanDuel, how it works. So if you were to sign up,
19 you'd first register for an account and get verified,
20 as I'll discuss in a moment. And then you'd be
21 presented with the FanDuel lobby. And in the lobby --
22 this is showing it on a -- on a phone. A lot of our
23 players play mobile, but you could also obviously do
24 this on the web. You see a variety of contests,
25 different prize structures, different sports, et

1 cetera. Assuming you went to enter an NFL contest --
2 which is one of our most popular sports, as you won't
3 be surprised -- you then research and select your
4 team. We use a salary cap model, which means you have
5 a fictitious \$60,000 to spend on selecting your team,
6 with each athlete -- each athlete assigned a certain
7 value. So you can see here Drew Brees I think is
8 \$9200. Cam Newton is \$9000, which means this
9 screenshot must have been from last year when people
10 thought Cam Newton was very good. And you -- you then
11 have to fit your team in under the \$60,000 salary cap,
12 meaning you couldn't have Tom Brady and Leonard
13 Fournette and -- and Julio Jones all on the same team.
14 You need to find some of those value plays based on,
15 you know, what the match-ups are this weekend, what
16 the weather is, whose offensive line is healthy, et
17 cetera, et cetera. When you've selected your team,
18 you'd enter the contest. And here on -- you can see
19 in the third little image we have here you can follow
20 along with your team and see how you're doing during
21 the actual athletic events themselves. A lot of our
22 players are sitting in front of the TV with their
23 phone, checking how they're doing in their various
24 contests as they move ahead and behind. And this is
25 based on the real word athletic performance of the

1 players you selected onto your team. There's preset
2 rules for how many points you get for 10 rushing
3 yards, or 10 receiving yards, or a touchdown, et
4 cetera. And so you follow along, and then when the
5 contest is over, you see where you finished in -- in
6 the fourth image here. And then you are awarded a
7 prize -- or in my case, not awarded a prize -- based
8 on your results.

9 As I was discussing, we offer contests
10 based on a wide variety of sports. The four major
11 professional sports are obviously a focus, but we also
12 have the English Premier League, the Champion's League
13 in Europe. And golf was a recent addition. It's been
14 very popular.

15 We have a variety of contest structures as
16 well, so you can play against just only beginners, or
17 you can play against other people who aren't
18 beginners, but also aren't highly experienced players.
19 Experienced players are tagged so you know if you're
20 playing against the best of the best. And there are
21 different contest structures in terms of the prizes as
22 well. So there are some where the top half win, and
23 there are some where only, you know, the top 5 percent
24 win. So the -- the payout structure is going to be
25 quite different. The biggest thing for us this season

1 in FanDuel's world is we've really been expanding our
2 social experience. So we have what's called friends
3 mode. And that mimics much more closely what you
4 would get in season-long fantasy where you play with
5 eight or nine or ten of your buddies, the difference
6 being that you select a new team every week.

7 Here you can see our -- our management
8 team. Quite a few folks from McKinsey, as well as our
9 major investors. You can see media companies were
10 particularly interested, as we drive interest in
11 watching the sports. So you can see Comcast and NBC
12 and Verizon. Turner's involved as well. And then
13 some major private equity firms like KKR and Shamrock.

14 So one of the questions that we were asked
15 to address today is how we make sure that our users
16 are who they say they are, and are in fact -- in
17 Missouri -- 18 years of age. So a few other states
18 have different age requirements. In order to make a
19 deposit or enter a contest, you have to be verified.
20 And in order to verify, what we do is we use a
21 third-party vendor. In our case, we use a vendor
22 called IDology. And they check the user name, address
23 and date of birth against credit bureau and government
24 records. And you can see what this looks like here.
25 So you put this information in. In realtime, you'd be

1 told whether you were verified as a real person of the
2 correct age. If this fails, once for -- you know,
3 maybe 1 percent of people, they're just not able to
4 verify. Maybe their information is too close to
5 another person. You can then contact customer
6 support. There's a secondary system where you can
7 upload an image of your government-issued ID and we
8 can make sure that you are who you say you are with
9 that. All done by a third-party vendor. And we've
10 had good success with that.

11 Another question we were asked to address
12 is fund segregation. So this is how do we make sure
13 that our customer funds are separate from operational
14 funds, and are protected regardless of what happens to
15 FanDuel. All our funds are deposited into really one
16 of two bank accounts -- one of them being the PayPal
17 account; the other one being a bank account at an
18 FDIC-insured bank -- that belong to FanDuel Deposits,
19 LLC. FanDuel Deposits, LLC is a bankruptcy-remote
20 LLC. It has an independent board, and it's designed
21 to be out of reach of FanDuel's creditors. And
22 FanDuel Deposits only pays out in three instances from
23 out of the account. One is to return funds to a user
24 who just wants their money back. Another is to
25 distribute prizes to a user. And the third is once a

1 month, FanDuel will reconcile all the contests we
2 have. We'll figure out how many entry fees we took
3 in, and how many prizes we paid out, and the
4 difference is the amount of money FanDuel made.
5 And -- and we will then get a payout from FanDuel
6 deposits of the profits that we've made for that
7 month.

8 This is all independent of what a user
9 would see when they actually enter their account on
10 FanDuel. There's an ewallet. And so when you put
11 money in, you would see the money in your ewallet.
12 When you enter a contest, the entry fee -- so if you
13 put \$20 in, if you entered a \$7-entry-fee contest, you
14 would then see that you have \$13 in your ewallet.
15 That money never actually leaves FanDuel Deposits.
16 It's all there in the same account that it always was.
17 And it's only when you actually decide to withdraw
18 your funds at some point when you're done, or when we
19 take our profits out, that any money actually leaves
20 FanDuel Deposits.

21 COMMISSIONER JAMISON: So -- so what you're
22 explaining is the initial -- the initial deposit by a
23 customer goes into this account that is segregated
24 away from the FanDuel operations.

25 MR. FOX: Yes.

1 COMMISSIONER JAMISON: Okay.

2 MR. FOX: That's exactly right.

3 COMMISSIONER JAMISON: And then FanDuel
4 gets their operational expenses back out of this
5 account after they provided an accounting for it.

6 MR. FOX: Exactly right.

7 COMMISSIONER JAMISON: Okay.

8 MR. FOX: Yes.

9 CHAIRMAN KOHN: I didn't understand the \$20
10 and the \$13. Could you go through that again.

11 MR. FOX: Sure. So if a user deposited
12 money into their electronic wallet on the site --

13 CHAIRMAN KOHN: That's the \$20.

14 MR. FOX: That's the \$20. They can either
15 use PayPal or a credit card. There's now \$20 in their
16 account. If they decide to enter a contest with a \$7
17 entry fee -- and we have entry fees, you know, all
18 over the place. They can be a couple dollars or
19 dozens of dollars. But if they did a \$7 entry fee,
20 their account would immediately show that they only
21 have \$13 in their account, because the \$7 are in play
22 in the contest. That's just for our accounting
23 purposes. The money never actually left the FanDuel
24 Deposits bank account. And so it all stays there,
25 except for when we pay it out in those three ways.

1 Did that make more sense?

2 CHAIRMAN KOHN: Well, I'll let you go on.

3 Maybe we'll come back to that.

4 MR. FOX: This is actually -- this is
5 the -- the second question we had, so I'm done now.

6 I'm happy to answer any questions.

7 COMMISSIONER LOMBARDO: Back to the
8 identification issue. What databases do you check
9 identification against? Driver's license records?
10 How is that done?

11 MR. FOX: I believe it is. It's driver's
12 license records as well as credit bureau records. We
13 use a vendor called IDology. And they use a variety.
14 But I think that's right. I think it's -- it's from
15 the DMV as well as from credit bureaus, Experion, et
16 cetera. And they check that the name, date of birth
17 and address match.

18 COMMISSIONER LOMBARDO: Okay. And you rely
19 on the third-party contractor to do that?

20 MR. FOX: We do.

21 COMMISSIONER LOMBARDO: And you're not
22 really exactly sure how they do it?

23 MR. FOX: No. I'm fairly certain. We do
24 have IT people and a whole fraud team which --

25 COMMISSIONER LOMBARDO: Okay.

1 MR. FOX: -- is involved in this. So
2 they're the -- they're more in the weeds on it than I
3 am.

4 COMMISSIONER LOMBARDO: Okay. I don't mean
5 to ask you an IT question. I would be uncomfortable
6 if somebody asked me one. But I was just kind of
7 curious as to what the process is, and how you can
8 ensure that somebody is in fact a, you know, Missouri
9 resident or not a Missouri resident. Because that's
10 one of the things that's important to this group in
11 terms of tracking this.

12 MR. FOX: Yeah. And, you know, for other
13 states -- the Missouri rules are based on residency.
14 In other states, it's based on location, and so we use
15 geolocation technology. For Missouri, I understand
16 that it's an issue of whether or not they're a
17 resident, but we can also check their geolocation. So
18 if they're here, that gives us some greater comfort
19 that they're likely to be a resident.

20 COMMISSIONER LOMBARDO: Okay.

21 CHAIRMAN KOHN: Can you tell us a little
22 bit about where you are with other states, and your
23 overall --

24 MR. FOX: Sure. So we have -- 18 states
25 have enacted into law fantasy-sports-specific laws.

1 In 2012 Maryland passed one law which specified --
2 defined fantasy sports just like here in Missouri and
3 set up a regulatory regime. In 2015, Kansas passed a
4 law which also defined fantasy sports, made clear it
5 was legal. And then in 2016 another eight states
6 passed laws again defining fantasy sports, saying
7 fantasy sports as defined are legal, putting in place
8 protections, in some instances putting in place a tax
9 or some sort of registration fee. This year, we've
10 passed -- another eight laws have been enacted, with
11 one that's been passed by the Ohio legislature just
12 yesterday. It was finished and now it's on the
13 governor's desk.

14 CHAIRMAN KOHN: And can you -- among those
15 states, do you know what the tax is for each state?
16 Or -- I don't want you to go through 18 numbers, but
17 what's the -- what's the range, and where would
18 Missouri rank in that?

19 MR. FOX: So most of the states don't have
20 any tax at all. Of the -- I believe we're at four
21 states with a tax. Missouri's kind of right in the
22 middle. There's as low as 6 percent and as high as
23 15.5 percent, with New York being the highest, as you
24 won't be surprised to hear.

25 CHAIRMAN KOHN: And the states that have no

1 tax at all, how do they pay for regulation?

2 MR. FOX: So a few of them also have
3 registration fees. Some of those are designed very
4 specifically to only cover the cost of regulation, and
5 they do an accounting at the end of the year to
6 determine if that's correct. Some of them are a
7 little bit higher, and they collect regardless of the
8 actual cost of regulation. A few of them don't have
9 any fees at all. Most of our regulators have found
10 that -- you know, it depends on the specific
11 regulatory regime set up by each state, and the
12 oversight agency that's involved. But most of our
13 states have found that it's only about one full-time
14 equivalent employee to -- to take care of this, and so
15 some of them have chosen not to enact a fee. Our
16 general approach is that we think it's appropriate for
17 us to pay for the cost of regulation.

18 COMMISSIONER JAMISON: One of the questions
19 I have is when you -- when you identify that there are
20 beginner games and intermediate games and advanced
21 games, how is it that you go about identifying the
22 advanced players so that an advanced player can't
23 claim to be less than -- can you kind of give me a
24 background of how that works.

25 MR. FOX: Sure. So this was really decided

1 for us by a couple of other states. Because we
2 obviously operate in all -- in 40 states, and -- and
3 it's the same contest in all the states. So we need
4 something that works for everybody. Massachusetts set
5 up some rules about what they would consider highly
6 experienced players, a thousand or more contests, or
7 three wins of \$1000 or more prizes. And that's what a
8 highly-experienced player is. Tennessee set up a
9 slightly different standard, which was 500 or more
10 contests. And so that's an experienced player. These
11 are all defined and badged on -- on the website. So
12 those are how we tag those. For beginners, that's
13 also defined by the Massachusetts regs as 50 contests
14 or fewer in a particular sport.

15 COMMISSIONER JAMISON: But is this self-
16 reported, or is it just until they get experience on
17 your --

18 MR. FOX: It's only with respect to our
19 site.

20 COMMISSIONER JAMISON: Okay.

21 MR. FOX: But it's not self-reported, and
22 so we're tracking them.

23 COMMISSIONER JAMISON: So if someone comes
24 in, they could be a very experienced player, but if
25 they're new to your -- to your system --

1 MR. FOX: That's right.

2 COMMISSIONER JAMISON: -- they wouldn't be
3 an experienced player until they've been identified as
4 winning three times against people that aren't as
5 experienced as they are. They could.

6 MR. FOX: That's right. There's no
7 mechanism for the sharing of information --

8 COMMISSIONER JAMISON: Okay.

9 MR. FOX: -- from other sites.

10 COMMISSIONER JAMISON: Okay. And then my
11 second question would be when we talked about the LLC
12 that holds all the money.

13 MR. FOX: Uh-huh.

14 COMMISSIONER JAMISON: Is that true for all
15 states, or is that true for just Missouri, or -- or
16 how does that -- I know that that's a requirement for
17 us to have a separate fund that holds the customers'
18 money --

19 MR. FOX: Yeah.

20 COMMISSIONER JAMISON: -- so that it's safe
21 from creditors, and can be there for pay-outs when it
22 needs to be. But is all states' money contributed
23 into that and that's just one big pot, or how does
24 that work?

25 MR. FOX: That's right. It's all states'

1 money. It's one big pot. It's something, you know,
2 we -- we were a startup sort of operating without
3 lawyers up until around 2015. There was outside
4 counsel, but no inside counsel. And so when my boss,
5 the general counsel, was hired, he immediately put
6 that into place ahead of the regulations, seeing that
7 that money needed to be protected for all sorts of
8 purposes. And so it's for all states, for everyone,
9 as a matter of just how we operate.

10 COMMISSIONER JAMISON: And so for the
11 Missouri residents, it's just an accounting procedure
12 within your books, keeping track of the silo of that
13 money that is Missouri residents'? I mean, there --

14 MR. FOX: That's right. Everyone has -- we
15 have to know where each player is from for regulatory
16 purposes.

17 COMMISSIONER JAMISON: Correct.

18 MR. FOX: So it's just an accounting
19 mechanism.

20 COMMISSIONER JAMISON: Okay.

21 CHAIRMAN KOHN: Well, you can imagine our
22 primary concern is for the safety of the money held
23 by -- in your account by residents of Missouri. So
24 can you talk a little bit more about what you call the
25 bankruptcy-proof LLC that holds that money.

1 MR. FOX: Sure. So we --

2 CHAIRMAN KOHN: Like who owns it?

3 MR. FOX: So FanDuel owns it, but there's
4 an independent board that's been created so FanDuel --
5 so that we can create an arm's length transaction.
6 That board has to approve any agreements or payouts
7 from the account. And so while it is technically
8 owned by FanDuel, it has an independent board which
9 allows us to create arm's length transactions.

10 CHAIRMAN KOHN: So the independent -- the
11 members of that independent board have no connection
12 to FanDuel?

13 MR. FOX: That's correct. They were chosen
14 by our outside counsel, to be sort of fair in
15 determining how to set this up.

16 CHAIRMAN KOHN: And the bankruptcy-proof
17 part, somebody has explored piercing that corporate
18 veil, et cetera?

19 MR. FOX: That's correct. And that's why
20 it's so critical that we can -- that money only flows
21 out of that account in those three ways. Because
22 obviously if we were to use it as though it were our
23 operational funds, there would be some -- some
24 tendencies that maybe it would be available for
25 piercing the corporate veil. But because we only use

1 it in that very specific way, and because the --
2 because we have agreements with it at arm's length, we
3 believe it is separate and not available to our
4 creditors should we have a problem.

5 CHAIRMAN KOHN: Does FanDuel have an
6 outside auditor?

7 MR. FOX: We do.

8 CHAIRMAN KOHN: Who would that be?

9 MR. FOX: We have several different outside
10 auditors, because we use -- we have an auditor that's
11 for our investors, and then we've also had to do some
12 compliance audits as well. But we use Deloitte, as
13 our major financial auditor.

14 CHAIRMAN KOHN: And is there a separate
15 auditing firm for the -- for the customer account?

16 MR. FOX: So --

17 CHAIRMAN KOHN: LLC. I forgot the name of
18 it already.

19 MR. FOX: Yeah. So that function is
20 audited by Deloitte, and then it's also audited by our
21 compliance auditors. And we use both an accounting
22 firm, Rubin & Brown, as well as a traditional gaming
23 firm, GLI, to -- to conduct that consumer protection
24 audit. So that function actually gets audited by
25 both.

1 COMMISSIONER JAMISON: Along with that
2 account. So you say that there's three ways to pay
3 out. One was back to the -- a winning customer.

4 MR. FOX: Uh-huh.

5 COMMISSIONER JAMISON: One was back to
6 FanDuel for operational expense. And tell me --

7 MR. FOX: The third is if -- you don't have
8 to be a winning customer. You can just be a customer
9 who wants their money back.

10 COMMISSIONER JAMISON: Withdraw --

11 MR. FOX: Yes.

12 COMMISSIONER JAMISON: Withdraw your
13 balance that was in your account?

14 MR. FOX: Yes.

15 COMMISSIONER JAMISON: Okay.

16 MR. FOX: Right.

17 COMMISSIONER JAMISON: So obviously people
18 want to be able to withdraw their winnings, and their
19 accounts in a realtime situation.

20 MR. FOX: Uh-huh.

21 COMMISSIONER JAMISON: Are they dealing
22 with this LLC, then, that is holding the money, or
23 how -- I mean, there's got to be a pot of money some
24 place for them to be able to receive realtime
25 payments. Is that -- does that make sense?

1 MR. FOX: That's right. So we basically
2 automate it for them. So we -- we do it for them. On
3 the site, they can withdraw their money. If you via
4 PayPal, you can withdraw via PayPal. If you deposited
5 via credit card, you can get a check, or potentially
6 PayPal. And that happens quickly and in realtime --

7 COMMISSIONER JAMISON: But that comes
8 out --

9 MR. FOX: -- consistent with our agreement.
10 And that comes from FanDuel Deposits --

11 COMMISSIONER JAMISON: Okay.

12 MR. FOX: -- consistent with our agreement
13 with FanDuel Deposits.

14 COMMISSIONER JAMISON: Okay. So it's
15 automated into that LLC that's at arm's length from
16 your company.

17 MR. FOX: Yes.

18 COMMISSIONER JAMISON: It's not a -- they
19 give you a -- you know, a pot of money to be able to
20 pay that out.

21 MR. FOX: No.

22 COMMISSIONER JAMISON: That still remains
23 in that --

24 MR. FOX: It still remains in that account,
25 and then it goes straight to the customer when -- when

1 the customer requests it.

2 COMMISSIONER JAMISON: Okay.

3 COMMISSIONER NEER: How do you determine
4 the amount that needs to be held in that FanDuel
5 Deposits account?

6 MR. FOX: So it -- it's -- it consists of
7 all the entry fees that players have put into our
8 system. So it's -- we then size contests based on how
9 many people will enter, and then the prizes that we
10 know that we'll have to pay out. So the only money
11 that goes into that pot are the deposits of our -- of
12 our users, if that makes sense.

13 COMMISSIONER FINNEY: So that -- so
14 regarding the FanDuel Deposits, you said there's two
15 accounts. You said there's a bank account and a
16 PayPal account.

17 MR. FOX: That's right.

18 COMMISSIONER FINNEY: So -- and the only
19 funds that ever go into both of those accounts come
20 from the users themselves. FanDuel never makes any
21 deposits into those accounts?

22 MR. FOX: That's right.

23 COMMISSIONER FINNEY: And so -- but the
24 PayPal account, how is that -- why is there money in
25 the PayPal account and not in the bank account, and

1 vice versa?

2 MR. FOX: It's just the way PayPal works
3 that when -- when people deposit via PayPal, it goes
4 into that PayPal account. For our accounting
5 purposes, it's all really one pot. But the -- because
6 credit card receivables go into -- need to go into a
7 bank account, and then PayPal, they have their own
8 account.

9 COMMISSIONER FINNEY: So the bank account
10 is FDIC insured.

11 MR. FOX: Uh-huh.

12 COMMISSIONER FINNEY: But the PayPal
13 account, is there any insurance for that that you're
14 aware of?

15 MR. FOX: I believe the PayPal account is
16 also FDIC insured as well.

17 CHAIRMAN KOHN: Any other questions?

18 COMMISSIONER LOMBARDO: Yes. You say the
19 bank account is FDIC insured. To -- to what amount?

20 MR. FOX: Yeah. I mean, whatever the FDIC
21 insures it for. There's obviously quite a bit of
22 money in there.

23 COMMISSIONER LOMBARDO: It can't possibly
24 be totally FDIC insured, if I understand the rules.

25 MR. FOX: I think that's -- I think that's

1 correct. But I -- I was trying to indicate that it's
2 a regulated, normal bank account.

3 COMMISSIONER LOMBARDO: I've got it. I've
4 got a question about the litigation. It looks like
5 FanDuel's been sued on 60 or so substantially similar
6 cases that were -- from reading this, I grasp that
7 under the multidistrict litigation, they've been
8 aggregated in Massachusetts. Is that right?

9 MR. FOX: Yeah. I think they're aggregated
10 in Massachusetts and also in New Mexico. I think
11 there are two different suits.

12 COMMISSIONER LOMBARDO: Okay. And I'm not
13 going to ask you any legal strategy or attorney/client
14 privilege stuff. But perhaps you could tell us a
15 little bit about the progress of those suits. For
16 instance, has a class been certified in either of
17 those?

18 MR. FOX: A class has not been certified
19 yet. We filed a motion to dismiss that we're still
20 optimistic about. And so we -- it's -- it's been
21 going very slowly. But no, a class has not been
22 certified.

23 COMMISSIONER LOMBARDO: Okay. And not
24 divulging any attorney/client stuff, just from public
25 record, can you tell me, do you have any idea how much

1 the plaintiffs are seeking in those class actions?

2 MR. FOX: I -- I do not know the answer to
3 that, but I can get it for you.

4 COMMISSIONER LOMBARDO: All right. Thank
5 you.

6 MR. FOX: Thank you.

7 CHAIRMAN KOHN: Any other questions at this
8 time? Well, we -- we have a lot more questions for
9 you on the financial side --

10 MR. FOX: I look forward to that.

11 CHAIRMAN KOHN: -- as I indicated earlier.
12 But we'll deal with those when we have the opportunity
13 to ask you in our closed session.

14 MR. FOX: Okay. Thank you.

15 CHAIRMAN KOHN: Thank you very much.
16 Mr. Siebert?

17 MR. SIEBERT: The next item will be
18 investigative summary, which will be presented by
19 Lieutenant Ed Aylward.

20 CHAIRMAN KOHN: Morning, Lieutenant.

21 MR. AYLWARD: Morning, Mr. Chairman,
22 Commissioners. The Missouri Gaming Commission staff,
23 financial investigators with the Missouri Gaming
24 Commission, and Missouri State Highway Patrol
25 investigators completed application reviews and

1 verification of statutory compliance for the following
2 fantasy sports operator who has applied for licensure
3 with the State of Missouri: FanDuel, Inc.

4 CHAIRMAN KOHN: Hang on one second. Can
5 you all hear?

6 MR. AYLWARD: Maybe I can lower this.

7 CHAIRMAN KOHN: Yeah.

8 MR. AYLWARD: I was going to bring my stool
9 with me.

10 CHAIRMAN KOHN: I understand how you feel.

11 MR. AYLWARD: The results of these reviews
12 and statutory verification were provided to the MGC
13 staff, and you have all related summary reports before
14 you. Thank you.

15 CHAIRMAN KOHN: Questions of Lieutenant
16 Aylward?

17 COMMISSIONER FINNEY: No, sir.

18 CHAIRMAN KOHN: Lieutenant -- will
19 Lieutenant Aylward be in our closed session if we have
20 questions?

21 MR. SIEBERT: He'll be available.

22 CHAIRMAN KOHN: Thank you. So we'll see
23 you in closed session.

24 MR. AYLWARD: Yes, sir.

25 CHAIRMAN KOHN: So any other -- anyone else

1 speaking on behalf of FanDuel? Okay. So just to
2 remind you, we -- after we have the next presentation,
3 we'll be going into closed session, and the staff
4 recommendation will be made after we return from that
5 closed session. Mr. Siebert?

6 MR. SIEBERT: The next order of business
7 will be the presentation from SportsHub Technologies,
8 LLC doing business as CDM Sports. And the
9 presentation will be made by Mr. John Brison, general
10 manager of the St. Louis division.

11 CHAIRMAN KOHN: Mr. Brison?

12 MR. BRISON: Morning. My name is John
13 Brison, and I'm the general manager of the St. Louis
14 division of SportsHub Technologies. SportsHub
15 Technologies is a Minneapolis, Minnesota based company
16 founded in January of 2016 with offices in
17 Minneapolis; St. Louis; Collinsville, Connecticut;
18 Washington, DC; and Iola, Wisconsin.

19 SportsHub is a full-spectrum provider of
20 fantasy sports products and services, and it currently
21 owns and operates CDM Sports, National Fantasy
22 Championships, LeagueSafe, WhatIfSports, Sports
23 Technologies, and Fanball.

24 Although SportsHub is a fairly new company,
25 it has acquired the assets of several industry-leading

1 brands, and employs many of the original creators and
2 operators of those brands. CDM Sports branded
3 contests began accepting entries in 1992, and the
4 National Fantasy Championships began in 2004. With
5 CDM's 25 years of continuous operation, and NFC's 13
6 years, these are two of the most trusted brands for
7 operating season-long pay-to-play fantasy contests.
8 To complement the season-long contests, SportsHub
9 began operating daily contests this year for football
10 and basketball, and is on a mission to level the
11 playing field for daily fantasy sports fans with its
12 new daily fantasy sports platform at fanball.com.

13 In addition to operating fantasy contests,
14 SportsHub acquired LeagueSafe. And LeagueSafe
15 provides financial management services for privately-
16 run league managers to assist them with collecting
17 league dues and distributing prize payouts.
18 LeagueSafe has been providing this service for
19 customers since 2008.

20 SportsHub also specializes in helping
21 companies develop strategies, products and innovative
22 solutions using sports to drive customer engagement
23 through highly interactive games and mobile
24 applications.

25 Although SportsHub offers a wide variety of

1 services to help fans rally around their favorite
2 events, the core of what we do is operate fantasy
3 sports contests, as you can tell by the length of
4 operation of some of these games and the products.

5 Although this year has been challenging,
6 creating -- some of the challenges we've covered the
7 past year is creating a uniform environment to enforce
8 the regulations. We implemented things like single
9 sign-on to help with identity -- identity validation,
10 and compiling and aggregating these companies into a
11 single wallet. The other issues are maintaining the
12 compliance rules and regulations by displaying prizes
13 in a consistent manner; costs; and the number of
14 participants in contests.

15 SportsHub offers a wide range of
16 interactive fantasy sports contests that cover
17 professional sports of baseball, basketball, football,
18 hockey, golf and NASCAR. Although there may be
19 hundreds of games that are -- that are operated, most
20 of these contests can be grouped into four basic
21 styles. These games are typically identified as
22 salary cap, traditional draft, pickem and survivor.
23 Most of the contests that you'll see in this
24 presentation are salary cap and traditional draft,
25 which is the majority of what -- what gets operated.

1 As FanDuel explained, salary cap games use fictitious
2 values for the players and their performances, and
3 allows you to put together your rosters using those.
4 Traditional draft is -- are -- are games where each
5 team has only the opportunity to select an individual
6 player, and then they go through a -- what we call a
7 snake draft in order to select those players.

8 One of the things that we've implemented
9 over the last year is the identity verification, again
10 using IDology, and as well as using MaxMind to help
11 with geo identification and tracking, so that we know
12 where the people are coming from. Anyone registering
13 to participate in the contest must be physically
14 located in a state or territory or province that is --
15 that is not restricted by law. And -- and the users
16 must be of legal age in order to participate in the
17 contest. SportsHub has licensing agreements with
18 MaxMind.com and the geolocation services at IDology.
19 Those services help to support the integrity of users
20 and validating their identity.

21 The -- the acquisitions of multiple
22 companies over the last year has created challenges in
23 aggregating the historical databases of those systems,
24 the performance of the players, as well as the
25 authentication. Guys who play these fantasy sports

1 tend to play across multiple -- multiple websites and
2 use different usernames and all types of different
3 e-mail addresses. The single sign-on system has
4 allowed us to aggregate those -- those customers into
5 one system, and to compile their information down,
6 compiling the history for their past performances, as
7 well as the -- the accounts. There have been some
8 challenges, but we've been working through those. And
9 over the last year, we've boiled it down to a pretty
10 good solution for figuring out the ones that are
11 having conflicts and the ones that are not, at least
12 identifying who is using different e-mail addresses
13 and so on.

14 SportsHub Reserves, LLC is the entity that
15 all the funds are going into. And it's a
16 separately-managed entity owned by SportsHub
17 Technologies. That's one of the challenges, and one
18 of the questions that was asked is to segregate the
19 funds. All of the funds that come in -- come in from
20 entries, as well as any type of transactional expenses
21 go directly into that account. After the games are
22 completed, the -- the prizes are deducted from the
23 deposits into those accounts, and then any profit
24 that's remaining gets moved back into the operating
25 entity to separate those.

1 IDology, as was explained earlier, uses a
2 variety of things to identify a user's actual
3 identity. I believe it uses their tax returns, the
4 information that they file with their local residency,
5 and other trusted services to compile the information
6 of a person's identity.

7 That's it. Any questions?

8 CHAIRMAN KOHN: I've got a couple of
9 questions. I'll start off. You said this past year
10 has been challenging.

11 MR. BRISON: Yes, sir.

12 CHAIRMAN KOHN: Can you tell us why.

13 MR. BRISON: Well, the acquisition of a
14 bunch of these different companies. We're actually a
15 small company, small staff. And maintaining the
16 regulations with the different companies -- they have
17 a lot of different software systems that they're
18 operating on. And each state has different
19 regulations -- different rules in their regulations.
20 And so trying to balance the -- the challenges of
21 aggregating the older accounting systems and operating
22 systems that the software is running on, as well as
23 dealing with the regulating bodies to make sure that
24 we're providing them with all the documentation and
25 any type of information that they need. So it's

1 been -- it's been challenging.

2 CHAIRMAN KOHN: And where are you in
3 meeting those challenges?

4 MR. BRISON: I think we've completed just
5 about everything. If there's something outstanding,
6 we're not quite aware of it. The most recent
7 acquisition is WhatIfSports, which was done a couple
8 months ago, and so we haven't begun the process of
9 aggregating it in yet. So other than that, I think
10 we've actually accomplished everything.

11 CHAIRMAN KOHN: So the entity that holds
12 the money -- I forgot the name of it. I think it had
13 a name.

14 MR. BRISON: Yes. It was --

15 CHAIRMAN KOHN: It was owned by --

16 MR. BRISON: -- SportsHub Reserve.

17 CHAIRMAN KOHN: -- SportsHub Technologies.

18 MR. BRISON: SportsHub Reserve, LLC.

19 CHAIRMAN KOHN: Reserve, LLC?

20 MR. BRISON: Yes.

21 CHAIRMAN KOHN: Same questions we had with
22 FanDuel. Who owns that entity?

23 MR. BRISON: It is owned by SportsHub
24 Technology, but it does have a different board,
25 different -- different group of managers.

1 CHAIRMAN KOHN: And the managers are not
2 employees of SportsHub Technology or any affiliated
3 entity?

4 MR. BRISON: I don't know the actual
5 individuals in that entity. Christian Peterson can
6 probably give you more accurate information. But I
7 believe it is a separate group of individuals.

8 CHAIRMAN KOHN: Is Ms. or Mr. Peterson
9 here?

10 MR. BRISON: He is not here.

11 CHAIRMAN KOHN: Other questions?

12 COMMISSIONER LOMBARDO: Yeah. You
13 mentioned you had a small staff. Give me an idea what
14 you mean by small.

15 MR. BRISON: I think the total is 44
16 individuals right now.

17 COMMISSIONER LOMBARDO: Okay. Do you have
18 a -- an in-house general counsel?

19 MR. BRISON: No, sir.

20 COMMISSIONER LOMBARDO: Okay. So you use
21 an outside law firm?

22 MR. BRISON: Yes.

23 COMMISSIONER LOMBARDO: And who is that?

24 MR. BRISON: I don't know, right offhand.
25 I can get the information for you.

1 COMMISSIONER LOMBARDO: Do you have an
2 internal audit function?

3 MR. BRISON: We have an outside individual
4 that comes in and does the auditing for us.

5 COMMISSIONER LOMBARDO: And what firm or
6 person is that?

7 MR. BRISON: Game Labs was one of the
8 individuals that actually -- that did the auditing of
9 the accounting system, as well as the -- the technical
10 side of things. But then there is another firm for a
11 CPA standpoint, and I don't know who that is right
12 offhand.

13 COMMISSIONER LOMBARDO: Okay. And are you
14 based in Minneapolis or St. Louis? I'm not sure.

15 MR. BRISON: The headquarters is in
16 Minneapolis, Minnesota. I'm out of St. Louis.

17 COMMISSIONER LOMBARDO: Okay.

18 CHAIRMAN KOHN: Do you -- do you have any
19 idea with -- with the acquisitions that you've
20 completed what percent of the market of this industry
21 you now control?

22 MR. BRISON: What percent of the market?

23 CHAIRMAN KOHN: Yeah.

24 MR. BRISON: Small. I have no idea, but I
25 would assume maybe 2 percent.

1 CHAIRMAN KOHN: Okay. Other questions?

2 COMMISSIONER JAMISON: Yeah. I'll go back
3 to the hub -- SportsHub Reserve, LLC.

4 MR. BRISON: Yes.

5 COMMISSIONER JAMISON: You -- you -- you
6 indicated that you -- you would pay out the winnings
7 of a contest, and then SportsHub would rake what's
8 left over. Is that what you meant to say?

9 MR. BRISON: Basically, yes. That's
10 correct.

11 COMMISSIONER JAMISON: Okay. So where does
12 the -- do -- as you heard -- and not to try to compare
13 you to FanDuel, but just to try to expediate this a
14 little bit. You heard them talk about that there are
15 deposits larger than the amount that they put into a
16 contest. Do you only take the money then for an entry
17 fee into a contest, or do you keep an account for a
18 player to draw out of to put into a contest? Is
19 that -- do you understand what I'm asking?

20 MR. BRISON: I believe it's similar to what
21 FanDuel explained. All of the -- all of the cash that
22 comes into the company basically goes into this
23 reserve fund.

24 COMMISSIONER JAMISON: Correct.

25 MR. BRISON: And the participants -- the

1 customers are basically -- their electronic wallet is
2 based around that pool of money.

3 COMMISSIONER JAMISON: Okay.

4 MR. BRISON: Anything that gets pulled into
5 the operating entity is after all of the prizes have
6 come out of that bucket.

7 COMMISSIONER JAMISON: So they pay an entry
8 fee, and that moves a portion of their wallet into a
9 contest?

10 MR. BRISON: Yes.

11 COMMISSIONER JAMISON: And I'm saying this.
12 Not -- things aren't actually moving --

13 MR. BRISON: I'm following you.

14 COMMISSIONER JAMISON: -- but by an
15 accounting -- by an accounting procedure, that money
16 is transferred into a contest. And then the payouts
17 for the winners of that contest are put back into
18 whatever wallet those winners have, and then SportsHub
19 rakes the rest.

20 MR. BRISON: In a sense, yes.

21 COMMISSIONER JAMISON: Okay.

22 MR. BRISON: Yes. The --

23 COMMISSIONER JAMISON: So there isn't a --
24 like when FanDuel talked about, is they had to present
25 an operating expense into that. And that may be the

1 exact same thing, just spoken in a different way.

2 What's left over out of a contest is your operating
3 expense, and that's what you pull out.

4 MR. BRISON: The only thing that comes out
5 of that is actually the profit after operating the
6 contest. There's a certain association of fees that
7 go along with that. There's prizes that go along with
8 that. The cash that goes into that system stays in
9 that system. Once all of those functions that are
10 relative to the contest are satisfied, then anything
11 that -- any profit that's remaining, that's what gets
12 pulled out and put back into the operating entity.

13 COMMISSIONER JAMISON: Okay. Okay.

14 MR. BRISON: I hope that explained --

15 COMMISSIONER JAMISON: It sounds like it's
16 the same thing, it's just different verbiage on --

17 MR. BRISON: Very similar.

18 COMMISSIONER JAMISON: -- on what you're
19 doing.

20 MR. BRISON: Yes, sir.

21 COMMISSIONER NEER: But in theory, your
22 winnings can far exceed the amount of deposits.
23 Correct?

24 MR. BRISON: Not in our particular contest.

25 COMMISSIONER NEER: So you limit the amount

1 of winnings so that it will not exceed the amount
2 that's deposited into SportsHub, LLC?

3 MR. BRISON: The -- the prizes that are
4 coming out of those contests are predefined. And for
5 each -- each entry that goes into that contest, a
6 percentage of that takes care of the prizes. It's not
7 a situation where we have entries that come in and
8 don't satisfy -- don't satisfy the prize pool.

9 COMMISSIONER JAMISON: So there's -- back
10 to Tom's point, it's more of a pari-mutuel contest?

11 MR. BRISON: I'm not familiar with what
12 pari-mutuel is.

13 COMMISSIONER JAMISON: Well, pari-mutuel
14 would be is if there was \$10,000 worth of entry fees,
15 then that would be -- and -- and you took out an
16 operating expense of 10 percent, there would be \$9000
17 left in that pool. If it was not pari-mutuel, you
18 would just establish a \$10,000 prize, and if you
19 didn't get \$10,000 worth of entries, you still --

20 MR. BRISON: Still liable for that prize.

21 COMMISSIONER JAMISON: -- advertise the
22 \$10,000 prize.

23 MR. BRISON: Right.

24 COMMISSIONER JAMISON: If your prize is
25 only based on the amount of entry fees that came in --

1 I'm using the word pari-mutuel because the entry fees
2 are the ones that created the prize.

3 MR. BRISON: Right.

4 COMMISSIONER JAMISON: And the prize can't
5 exceed what they put in.

6 MR. BRISON: Yeah. My understanding is
7 that account has been prefunded, prior to even the
8 beginning of an operation of a contest, to satisfy any
9 kind of situation you might have. In that example, if
10 you were to come up short on the prize liability,
11 that's always been prefunded prior to the initiation
12 of a contest.

13 COMMISSIONER JAMISON: Prefunded by
14 SportsHub?

15 MR. BRISON: Yes.

16 COMMISSIONER JAMISON: So did SportsHub put
17 seed money into this reserve -- this SportsHub
18 Reserve, LLC?

19 MR. BRISON: I don't know the details of
20 how that account was --

21 COMMISSIONER JAMISON: Okay. We can talk
22 more about that --

23 MR. BRISON: That's something that
24 Christian might be able to answer more.

25 CHAIRMAN KOHN: Ed, do you have something

1 to add?

2 MR. GREWACH: I was just going to add to
3 Commissioner Neer's question that some companies --
4 and I don't think you -- your company does -- operates
5 contests where there's a guaranteed prize. And then
6 in that scenario, the company could end up having more
7 prize to pay out than entry fees. In more traditional
8 contests, the entry fees go in, the winners then
9 divide up whatever that pool of entry fees are,
10 according --

11 MR. BRISON: That's correct.

12 MR. GREWACH: -- to a predetermined
13 formula. And so that way, they're -- if you operate
14 that traditional type of contest -- again, similar as
15 Commissioner Jamison said to pari-mutuel wagering --
16 there's never more prizes than are entry fees, because
17 it's just a matter of dividing up the entry fee pot
18 among the winners --

19 MR. BRISON: Right.

20 MR. GREWACH: -- at the end of the day.

21 MR. BRISON: That's right. And we do have
22 some of those -- we do have some of those as well, but
23 it's such a small percentage of what the overall
24 operation is supporting right now.

25 MR. GREWACH: Sorry to jump in, but I just

1 thought --

2 CHAIRMAN KOHN: Any other questions?

3 COMMISSIONER FINNEY: I guess my -- I guess
4 the overall concern would be that, you know, it's
5 bankruptcy-remote, but SportsHub is putting money into
6 that trust account or to that SportsHub Reserve, and
7 then ostensibly creditors could attach to that money
8 and then penetrate their reserves.

9 MR. BRISON: And that's probably something
10 Christian can answer more accurately than I. I'm not
11 really familiar with the internals of how that it's
12 being -- how that part's getting done.

13 CHAIRMAN KOHN: You -- you -- you've
14 referred to Christian a couple times now.

15 MR. BRISON: Yes, sir.

16 CHAIRMAN KOHN: Is that somebody that
17 should be here?

18 MR. BRISON: Well, it would be better if he
19 were here.

20 COMMISSIONER JAMISON: Well, let me ask
21 this question. For our closed meeting, is that
22 someone that we can get on the phone?

23 MR. BRISON: I believe it is. Yes.

24 COMMISSIONER JAMISON: Okay. So when we go
25 into closed, I would recommend that you find out the

1 best way to telephonically --

2 MR. BRISON: Okay.

3 COMMISSIONER JAMISON: -- contact him.

4 MR. BRISON: We can do that.

5 COMMISSIONER JAMISON: Because I think
6 we're going to have some questions that we're going to
7 want -- if you keep referring to him, I think we're
8 going to have to -- to have the ability to get some
9 answers from him. So if you could find out the best
10 way to contact him, we can make that happen.

11 MR. BRISON: Okay. I'll do that.

12 COMMISSIONER JAMISON: Okay.

13 CHAIRMAN KOHN: And you'll have time,
14 because we will do FanDuel first before --

15 MR. BRISON: Okay.

16 COMMISSIONER JAMISON: Like my question was
17 with FanDuel, how do you -- do you establish
18 experienced players, beginner players, intermediate
19 players within your system, and can you expand on that
20 a little bit --

21 MR. BRISON: Yes.

22 COMMISSIONER JAMISON: -- on how you do
23 that.

24 MR. BRISON: Yes, we do. It's a
25 combination of prize winnings and the number of

1 contests that they've participated in. Some of the
2 states have situations where they say customer has
3 played a thousand contests and won a certain dollar
4 amount. Most of our participants don't play anywhere
5 near that number of contests. So we -- we really look
6 at their performance within those contests, you know,
7 how well they rank in those contests. And even though
8 they may not win dollar -- significant dollar amounts,
9 we actually will look at their performances within
10 those contests, how well are their finish rates. And
11 then it's a combination of that, the dollars that they
12 win, and the number of contests, just in case there's
13 a situation where they exceed certain states. And
14 then once we've identified that, we try to make sure
15 that any criteria that we're acknowledging an
16 individual as being an experienced player, that it
17 satisfies each of the states. And -- and then we'll
18 label them. In the case of CDM Sports, customers have
19 been playing for 25 years, and even though they may
20 not have finished above third place, we know based on
21 their history, and based on the type of contest that
22 they're competing in, we can determine that they have
23 some level of skill above the novice individual, even
24 though they may not have won a thousand --
25 participated in a thousand contests, or won fifteen

1 grand or some significant number. In the case of
2 FanDuel -- I'm sorry. In the case of Fanball, Fanball
3 is -- when a person initially joins to be a
4 participant in those contests, there's a survey that
5 they go through. And it basically is asking
6 information for what contests you've played in before,
7 different things like that. And then as the
8 individuals continue to participate, there's a number
9 that's associated with that individual's performance,
10 and that number will float up and down. And over the
11 course of time, it starts to give some sense of a
12 level of skill set with that individual. That,
13 combined with the winnings, the dollar amounts that
14 they've won, the number of contests that they
15 participate will help us identify them as being an
16 experienced player.

17 COMMISSIONER JAMISON: And then they're
18 prohibited from being in some contests because of
19 their level of experience.

20 MR. BRISON: That's correct. And some
21 contests are -- are given a range. You know, you
22 have -- you have to be in this range in your points
23 scale in order to participate. You can go up -- you
24 can elect to go up into a higher skill set, but anyone
25 with a rating that's greater than that cannot come

1 down to the lower skill set contest.

2 COMMISSIONER JAMISON: Thank you.

3 CHAIRMAN KOHN: Any other questions?

4 COMMISSIONER LOMBARDO: No.

5 CHAIRMAN KOHN: Thank you very much.

6 MR. BRISON: Okay.

7 CHAIRMAN KOHN: You guys ready for --

8 MR. SIEBERT: We have an investigative
9 summary by Lieutenant Aylward.

10 MR. AYLWARD: Again, the Missouri Gaming
11 Commission staff, financial investigators with the
12 Missouri Gaming Commission, and Missouri State Highway
13 Patrol investigators completed application reviews and
14 verification of statutory compliance for the following
15 fantasy sports operator who's applied for licensure
16 with the State of Missouri: SportsHub Technologies,
17 LLC. The results of these reviews and statutory
18 verification were provided to the MGC staff, and you
19 have all related summary reports before you.

20 CHAIRMAN KOHN: Any questions of Lieutenant
21 Aylward?

22 COMMISSIONER LOMBARDO: Not at this time.

23 CHAIRMAN KOHN: And you'll be available
24 again --

25 MR. AYLWARD: Yes, sir.

1 CHAIRMAN KOHN: -- in closed session.
2 Thank you. So we're ready to go into our closed
3 session now. And I wish I could tell you how long
4 we're going to be, but as you can tell from the
5 questions already asked, I can't. But we will move as
6 swiftly as we can, and come back out, report our
7 findings, entertain motions, and then go on with the
8 rest of the agenda. So we're ready for a motion to go
9 into closed session.

10 COMMISSIONER JAMISON: I move to go into
11 closed meeting under Section 313.945, Revised Missouri
12 Statutes, Investigatory, Proprietary and Application
13 Records; and 610.021, Subparagraph 14 of the Revised
14 Missouri Statues, Records Protected from Disclosure by
15 Law.

16 COMMISSIONER FINNEY: Second.

17 CHAIRMAN KOHN: Angie.

18 MS. FRANKS: Commissioner Finney.

19 COMMISSIONER FINNEY: Approve.

20 MS. FRANKS: Commissioner Lombardo.

21 COMMISSIONER LOMBARDO: Approve.

22 MS. FRANKS: Commissioner Neer.

23 COMMISSIONER NEER: Approve.

24 MS. FRANKS: Commissioner Jamison.

25 COMMISSIONER JAMISON: Approved.

1 MS. FRANKS: Chairman Kohn.

2 CHAIRMAN KOHN: Approve. Okay. We will
3 now go into closed session. And Mr. Fox, we'll start
4 with you, but we'll -- we'll need a few minutes to
5 prepare, and then we'll ask you to come in. Wherever
6 he is.

7 (OFF THE RECORD.)

8 CHAIRMAN KOHN: All right. We're back in
9 open session. Thank you all for bearing with us. I
10 told you when we adjourned we didn't know how long it
11 would be. Didn't know it would be this long. But
12 we're ready to move on. So is there a motion with
13 respect to Resolution 17-054?

14 COMMISSIONER JAMISON: I move to table
15 Resolution 17-054 until further discussion at a
16 meeting -- meeting in the future.

17 COMMISSIONER LOMBARDO: Second.

18 CHAIRMAN KOHN: Any discussion on the
19 motion? Angie.

20 MS. FRANKS: Commissioner Finney.

21 COMMISSIONER FINNEY: Approve.

22 MS. FRANKS: Commissioner Lombardo.

23 COMMISSIONER LOMBARDO: Approve.

24 MS. FRANKS: Commissioner Neer.

25 COMMISSIONER NEER: Approve.

1 MS. FRANKS: Commissioner Jamison.

2 COMMISSIONER JAMISON: Approved.

3 MS. FRANKS: Chairman Kohn.

4 CHAIRMAN KOHN: Approve.

5 MS. FRANKS: By your vote, you have tabled
6 the licensure of FanDuel until a --

7 COMMISSIONER NEER: Further date.

8 MS. FRANKS: -- a meeting in the future.

9 CHAIRMAN KOHN: Which may be January 10,
10 but we're not sure yet. Is there a motion with
11 respect to Resolution Number 17-055?

12 COMMISSIONER JAMISON: I move to -- 56.

13 CHAIRMAN KOHN: 5 -- 56. Okay.

14 COMMISSIONER JAMISON: I move to table
15 Resolution Number 17-056 for further discussion at a
16 future meeting.

17 COMMISSIONER NEER: Second.

18 CHAIRMAN KOHN: Discussion of the motion?
19 Angie.

20 MS. FRANKS: Commissioner Finney.

21 COMMISSIONER FINNEY: Approve.

22 MS. FRANKS: Commissioner Lombardo.

23 COMMISSIONER LOMBARDO: Approve.

24 MS. FRANKS: Commissioner Neer.

25 COMMISSIONER NEER: Approve.

1 MS. FRANKS: Commissioner Jamison.

2 COMMISSIONER JAMISON: Approved.

3 MS. FRANKS: Chairman Kohn.

4 CHAIRMAN KOHN: Approve.

5 MS. FRANKS: By your vote, you have tabled
6 Resolution Number 17-056 regarding the licensure of
7 SportsHub Technologies, LLC, d/b/a CDM Sports until a
8 future meeting.

9 CHAIRMAN KOHN: And just so you know, this
10 is not coming as a surprise to the two applicants who
11 appeared before us this morning. This is a discussion
12 we had with them in our closed sessions, and both are
13 agreeable to the postponement of the decision.
14 Mr. Siebert.

15 MR. SIEBERT: The next order of business,
16 Mr. Chairman, is Consideration of Licensure of Level I
17 and Key Applicants. Trooper John Masters will
18 present.

19 CHAIRMAN KOHN: Trooper Masters.

20 MR. MASTERS: Good morning. Missouri State
21 Highway Patrol Investigators, along with MGC financial
22 investigators conducted comprehensive background
23 investigations on multiple key and Level I applicants.
24 The investigations included, but were not limited to
25 criminal, financial, and general character inquiries

1 which were made in the jurisdictions where the
2 applicants lived and worked. The following applicants
3 are being presented for your consideration: Professor
4 Johann Graf, ultimate beneficial owner for Novamatic,
5 AG; Dr. Bernd Oswald, chairman of supervisory board
6 for Novamatic AG; Martina Flitsch, vice chairwoman of
7 the supervisory board for Novamatic AG; Barbara
8 Feldmann, member of the supervisory board for
9 Novamatic AG; Martina Kurz, member of the supervisor
10 board for Novamatic AG; Dr. Robert Hofians, member of
11 the supervisory board for Novamatic AG; Harold
12 Neumann, CEO and chairman of the management board for
13 Novamatic AG; Brigit Wimmer, non-executive chairwoman
14 of the board of directors for Gryphon Invest AG; Bruno
15 Faoro, CEO and executive member of the board of
16 directors for Gryphon Invest AG; Michele Marinari,
17 non-executive member of the board of directors,
18 Gryphon Invest AG; Peter Ekberg, CFO for Gryphon
19 Invest AG; Charles Atwood, lead independent director
20 for Pinnacle Entertainment; Dean Ehrlich, executive VP
21 and games business leader for Everi Payments; Thomas
22 Jingoli, executive VP, chief commercial officer and
23 director for Konami Gaming; Zachary Mays, director of
24 operations, Harrah's North Kansas City; David Smail,
25 executive VP and chief legal officer for Scientific

1 Games; Denise Taykowski, vice president of casino
2 operations for River City Casino. The results of
3 these investigations were provided to the MGC staff
4 for their review, and you have all related summary
5 reports before you. Thank you.

6 CHAIRMAN KOHN: And congratulations on your
7 pronunciation of some very difficult names. Any
8 questions of the trooper?

9 COMMISSIONER JAMISON: No, sir.

10 COMMISSIONER LOMBARDO: Nothing.

11 MR. MASTERS: Well, Sabina left, so she
12 couldn't correct me.

13 CHAIRMAN KOHN: Is there a motion with
14 respect to Resolution 17-058?

15 COMMISSIONER LOMBARDO: Motion to approve.

16 COMMISSIONER FINNEY: Second.

17 CHAIRMAN KOHN: Discussion on the motion?
18 Angie.

19 MS. FRANKS: Commissioner Finney.

20 COMMISSIONER FINNEY: Approve.

21 MS. FRANKS: Commissioner Lombardo.

22 COMMISSIONER LOMBARDO: Approve.

23 MS. FRANKS: Commissioner Neer.

24 COMMISSIONER NEER: Approve.

25 MS. FRANKS: Commissioner Jamison.

1 COMMISSIONER JAMISON: Approved.

2 MS. FRANKS: Chairman Kohn.

3 CHAIRMAN KOHN: Approve.

4 MS. FRANKS: By your vote, you've adopted
5 Resolution Number 17-058.

6 CHAIRMAN KOHN: Mr. Siebert?

7 MR. SIEBERT: The next order of business is
8 Consideration of Relicensure of Certain Supplier.
9 Sergeant Brian Holcomb will present.

10 CHAIRMAN KOHN: Well, I can now say good
11 afternoon, Sergeant.

12 MR. HOLCOMB: Good afternoon, Mr. Chairman,
13 Commissioners. Everi Payments, Inc. is being
14 presented for relicensure. The company was previously
15 known as Global Cash Access, Inc. until the name
16 change was announced on August 24th, 2015. Everi
17 Payments, Inc. provides access to cash at gaming
18 facilities via automated teller machine cash
19 withdrawals, credit card cash access transactions,
20 point of sale debit card transactions, and multiple
21 other services. The company's been continuously
22 licensed by the Missouri Gaming Commission as a
23 supplier since September 29, 2010. Highway Patrol and
24 MGC financial investigators conducted the relicensing
25 investigation which consisted of jurisdictional

1 inquiries, feedback from affected gaming company
2 clients, examination of disciplinary actions,
3 litigation and business credit profiles, as well as
4 review of the key persons associated with the company.
5 The investigative summary was provided to the MGC
6 staff for review, and investigators are present today
7 to answer any questions you may have.

8 CHAIRMAN KOHN: Any questions of Sergeant
9 Holcomb?

10 COMMISSIONER JAMISON: No, sir.

11 CHAIRMAN KOHN: Is there a motion with
12 respect to Resolution 17-059?

13 COMMISSIONER JAMISON: Move for adoption.

14 COMMISSIONER NEER: Second.

15 CHAIRMAN KOHN: Discussion on the motion?
16 Angie.

17 MS. FRANKS: Commissioner Finney.

18 COMMISSIONER FINNEY: Approve.

19 MS. FRANKS: Commissioner Lombardo.

20 COMMISSIONER LOMBARDO: Approve.

21 MS. FRANKS: Commissioner Neer.

22 COMMISSIONER NEER: Approve.

23 MS. FRANKS: Commissioner Jamison.

24 COMMISSIONER JAMISON: Approve.

25 MS. FRANKS: Chairman Kohn.

1 CHAIRMAN KOHN: Approved.

2 MS. FRANKS: By your vote, you've adopted
3 Resolution Number 17-059.

4 CHAIRMAN KOHN: And now the moment we've
5 all been waiting for.

6 MR. SIEBERT: Next we have the
7 Consideration of Rules and Regulations. Mr. Ed
8 Grewach will quickly present.

9 MR. GREWACH: Thank you, Director Siebert.
10 Mr. Chairman, Commissioners --

11 COMMISSIONER LOMBARDO: Ed, do you need a
12 water?

13 MR. GREWACH: Missouri became a state in --

14 COMMISSIONER NEER: We're losing our
15 audience.

16 MR. GREWACH: By way of background, in --
17 by way of background, in 2012, the legislature passed
18 a statute requiring that all state agencies perform
19 periodic reviews of their rules. Each agency was
20 assigned a schedule. Ours began July 1st of this
21 year, with a report due on that legislation in June
22 30th of 2018. That review, among other things,
23 included a requirement that we examine each rule to
24 determine if it continued to be necessary, if it
25 overlaps, duplicates or conflicts with other statutes

1 or rules, and whether or not there was a less
2 restrictive alternative available.

3 On January the 10th of 2017, Governor
4 Greitens signed an executive order requiring that
5 every state agency review all its rules. While there
6 is some overlap in the criteria between the statute
7 and the governor's executive order, the governor's
8 executive order also required a finding by the
9 agency -- or in this case, our commission -- that the
10 regulation was essential to the health, safety or
11 welfare of Missouri residents; that the cost of the
12 regulation did not outweigh its benefits based on a
13 cost-benefit analysis; that a process schedule existed
14 to measure the effectiveness of the regulation; and
15 that the regulation was based on sound, reasonably
16 available scientific, technical, economic or other
17 relevant information; and that the regulation did not
18 unduly or adversely affect the competitive environment
19 in Missouri. Required not only a report due on June
20 30th, 2018, but required each state agency to take any
21 action necessary to repeal any rule that failed to
22 meet any of those criteria.

23 Because of those time frames, the
24 commission staff undertook to review both the statute
25 and the executive order simultaneously. The -- the --

1 we have, as you see in Tabs I, J, K, and L, identified
2 124 rules that the staff has identified do not meet
3 the applicable criteria, and we are recommending for
4 repeal.

5 We did solicit and receive approximately
6 178 public comments on our rules, many of which were
7 factored in in the -- in the findings by the
8 commission staff that these rules were appropriate to
9 repeal.

10 The -- if the -- if these proposed orders
11 to repeal these rules are adopted today by the
12 commission, there'll be a written comment period that
13 will begin on January 16, 2018. There'll be a public
14 hearing conducted on February the 20th, 2018.

15 Any comments we receive from those public
16 hearings, along with any proposed changes would then
17 be presented back to the commission at your March
18 28th, 2018 meeting for final order of rule making. In
19 other words, you have another chance to re-examine
20 these and make a final decision as to whether or not
21 to repeal any specific regulation presented here.
22 That rescission, if adopted, would be effective on
23 July 31st, 2018.

24 Now, for organization and convenience, we
25 have grouped these regulations proposed to be repealed

1 into sections based on the primary reason that staff
2 has identified that the criteria mandate their repeal.
3 Now, obviously for any particular rule there may be
4 one or more criteria that they didn't meet.

5 Under Tab I, you have a set of rules where
6 the rules either overlap, duplicate or conflict with
7 another statute rule. In lieu of reviewing those
8 individually, I'd be happy to answer any questions the
9 commission would have.

10 CHAIRMAN KOHN: Any questions of Ed? Is
11 there a motion with respect to rescission of the rules
12 and regulations that are listed under Tab I?

13 COMMISSIONER JAMISON: I'll move. And I'm
14 assuming we have to list them.

15 CHAIRMAN KOHN: Well, they'll be listed in
16 the motion.

17 COMMISSIONER JAMISON: I move for adoption
18 of the rescission of the rules listed under I.

19 CHAIRMAN KOHN: Is there a second?

20 COMMISSIONER FINNEY: Second.

21 CHAIRMAN KOHN: Discussion? Angie.

22 MS. FRANKS: Commissioner Finney.

23 COMMISSIONER FINNEY: Approve.

24 MS. FRANKS: Commissioner Lombardo.

25 COMMISSIONER LOMBARDO: Approve.

1 MS. FRANKS: Commissioner Neer.

2 COMMISSIONER NEER: Approve.

3 MS. FRANKS: Commissioner Jamison.

4 COMMISSIONER JAMISON: Approved.

5 MS. FRANKS: Chairman Kohn.

6 CHAIRMAN KOHN: Approve.

7 MS. FRANKS: By your vote, you've adopted
8 final -- or you've adopted Rules 11 CSR 45-4.070,
9 4.430 5.280, 6.050, 7.040, 8.160, 10.070, 10.115,
10 11.170, 11.180, 30.500 and 31.005.

11 CHAIRMAN KOHN: Thank you. And Ed, of
12 course, can recite from memory all these regulations,
13 if we ask him to. We're not -- we're not going to
14 ask.

15 MR. GREWACH: Good.

16 CHAIRMAN KOHN: All right. You're still
17 on.

18 MR. GREWACH: Under Tab J, you'll see a set
19 of rules which staff has identified as being
20 unnecessary and not essential to the health, safety,
21 welfare of Missouri residents, or some rules which are
22 obsolete.

23 CHAIRMAN KOHN: Is there a motion regarding
24 the rescission of rules and regulations that are
25 unnecessary, not essential to health, safety or

1 welfare of Missouri residents, or are obsolete under
2 Tab J?

3 COMMISSIONER NEER: Motion to approve.

4 COMMISSIONER LOMBARDO: Second.

5 CHAIRMAN KOHN: Discussion on the motion?

6 Angie.

7 MS. FRANKS: Commissioner Finney.

8 COMMISSIONER FINNEY: Approve.

9 MS. FRANKS: Commissioner Lombardo.

10 COMMISSIONER LOMBARDO: Approve.

11 MS. FRANKS: Commissioner Neer.

12 COMMISSIONER NEER: Approve.

13 MS. FRANKS: Commissioner Jamison.

14 COMMISSIONER JAMISON: Approved.

15 MS. FRANKS: Chairman Kohn.

16 CHAIRMAN KOHN: Approve.

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

18 11 CSR 45-1.040, 5.020, 5.250, 6.060, 10.080, 14.010,

19 14.020, 14.030, 14.040, 14.050, 16.010, 16.020,

20 16.030, 16.040, 16.050, 16.060, 16.070, 16.080, and

21 16.090.

22 CHAIRMAN KOHN: Ed.

23 MR. GREWACH: Under Tab K, we have rules

24 which our analysis indicated that the cost of the

25 regulations outweigh their benefits. A junket

1 basically is an operation where a junket operator
2 who's a vendor of a casino organizes a group of
3 patrons to come to the casino. Our rule as stated
4 limited the amount of compensation that the casino
5 could pay to the junket operator to just the
6 theoretical loss. This is one again that we received
7 comments from the industry. As we examined the rule,
8 we did not find any compelling regulatory interest
9 that would justify the -- dictating the limitation of
10 what the casino could pay its vendors. In looking at
11 other states where this regulation was not in place,
12 the casinos argued and appear correct that it put
13 them -- it affected their competitive ability because
14 they're unable to attract those junket operators to
15 their property.

16 CHAIRMAN KOHN: Any questions of Ed? Is
17 there a motion with regard to rescission of rules and
18 regulations for which the cost of the regulations
19 outweigh their benefits, all listed under Tab K?

20 COMMISSIONER LOMBARDO: Motion to approve.

21 COMMISSIONER NEER: Second.

22 CHAIRMAN KOHN: Discussion on the motion?
23 Angie.

24 MS. FRANKS: Commissioner Finney.

25 COMMISSIONER FINNEY: Approve.

1 MS. FRANKS: Commissioner Lombardo.

2 COMMISSIONER LOMBARDO: Approve.

3 MS. FRANKS: Commissioner Neer.

4 COMMISSIONER NEER: Approve.

5 MS. FRANKS: Commissioner Jamison.

6 COMMISSIONER JAMISON: Approved.

7 MS. FRANKS: Chairman Kohn.

8 CHAIRMAN KOHN: Approve.

9 MS. FRANKS: By your vote, you've adopted
10 11 CSR 45-5.400, 5.410, and 5.420.

11 CHAIRMAN KOHN: Ed.

12 MR. GREWACH: Tab L, we have rescission of
13 rules relating to horse racing. History of horse
14 racing -- or specifically pari-mutuel wagering on
15 horse racing was approved by voters in 1984. Although
16 there were three events in the late Eighties at the
17 Missouri State Fairgrounds in Sedalia, the horse
18 racing industry just never took off in Missouri.
19 There have been no races since 1988. There are
20 currently no horse racing commissioners. All the
21 commissioners' terms expired. We have -- it was
22 transferred -- the rules were originally adopted by
23 Department of Revenue, and then transferred to us in
24 1995. Since we've had it, we've never received any
25 applications. And of course again, there have been

1 none since 1988. The -- when we looked at the rules
2 to rescind, we have retained the rules that deal with
3 the application process. And for the others, when you
4 look at the governor's executive order, we found that
5 these were rules where there really is no process in
6 place to measure the effectiveness. We can't say
7 they're based on any sound scientific or other
8 information, or say that they're essential to the
9 health, benefit and welfare of the residents of the
10 state of Missouri. And therefore, the directive in
11 the governor's executive order to repeal these took
12 place. We've retained the rules relative to the
13 application so that in the event that someone wanted
14 to build a racetrack in Missouri and conduct pari-
15 mutuel wagering, they could file that application. A
16 lot of things would have to happen at that point in
17 time. The governor would have to appoint members to
18 the horse racing commission, the application would
19 have to be investigated. The -- the commission would
20 then have to, of course, adopt new rules. Now, in all
21 likelihood, you have rules that are over 30 years old
22 that have not been used, amended, reviewed. Even if
23 you didn't repeal these, it would -- it would be a
24 complete rewrite, given the changes in technology and
25 the horse racing business, veterinary practices in --

1 in the meantime. So that was the commission staff's
2 view as to the appropriateness of rescinding these
3 sets of rules.

4 CHAIRMAN KOHN: Questions of Ed? Is there
5 a motion regarding rescission of rules and regulations
6 relating to horse racing under Tab L?

7 COMMISSIONER JAMISON: So moved.

8 COMMISSIONER LOMBARDO: Second.

9 CHAIRMAN KOHN: Discussion on the motion?
10 Angie. Angie, before you even take roll, let me ask a
11 question. Because I'm looking at the list of these
12 regulations, which leaves us two choices. One, we can
13 go eat lunch while Angie reads them; or I'm wondering
14 whether you can just submit these numbers to the court
15 reporter and have them entered into the record that
16 way so you don't have to read them all. Ed?

17 MR. GREWACH: I believe we could submit
18 them. I mean, the agenda items, and you're
19 incorporating by reference -- if the motion
20 particularly incorporates by reference the items on
21 the agenda, then we can attach the agenda, and then --
22 and then alleviate the need to read individually all
23 those rules.

24 CHAIRMAN KOHN: You owe me big time, Angie.
25 Okay. Take the roll, please.

1 MS. FRANKS: Commissioner Finney.

2 COMMISSIONER FINNEY: Approve.

3 MS. FRANKS: Commissioner Lombardo.

4 COMMISSIONER LOMBARDO: Approve.

5 MS. FRANKS: Commissioner Neer.

6 COMMISSIONER NEER: Approve.

7 MS. FRANKS: Commissioner Jamison.

8 COMMISSIONER JAMISON: Approved.

9 MS. FRANKS: Chairman Kohn.

10 CHAIRMAN KOHN: Approve. And --

11 MS. FRANKS: By --

12 CHAIRMAN KOHN: Oh, go ahead.

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

14 the rules under Tab L.

15 CHAIRMAN KOHN: Thank you. Mr. Siebert.

16 MR. GREWACH: Thank you.

17 CHAIRMAN KOHN: Thank you, Ed. Good job.

18 MR. SIEBERT: The next order of business is

19 Consideration of Bingo Settlement. Carolyn Kerr will

20 present.

21 CHAIRMAN KOHN: Ms. Kerr, you've been very

22 patient.

23 MS. KERR: I have to bring this down or get

24 a stool.

25 COMMISSIONER LOMBARDO: She's salary.

1 MS. KERR: The settlement that is under
2 consideration is relative to American Legion Howard S.
3 Keeling Unit 138. They're located in Boliver,
4 Missouri. They have a bingo license. We received a
5 complaint in May of 2017, inspected the premises in
6 June, found that the post was -- or the unit was
7 conducting poker games on its premises, and that the
8 bingo chairman and one of the post members who were
9 also bingo workers were also participating in the
10 poker games. This is not allowed under statute or
11 rules. And so we came up with a proposed discipline.
12 And after some discussion, we ended up with the
13 settlement that's before you. The fine against the
14 unit is \$500 and the forfeiture of one bingo occasion
15 that the commission staff will determine what day that
16 is. All the parties have signed the settlement. They
17 have submitted a check, but we haven't done anything
18 with the check. We're waiting on -- for the
19 settlement to be officially approved. And this
20 discipline against this unit is consistent with what
21 we've done with other bingo establishments or other
22 bingo licensees that we've found have done basically
23 the same thing. And so we submit the settlement to
24 the commission for approval.

25 CHAIRMAN KOHN: I'm curious about a couple

1 things. One is who pays the fine.

2 MS. KERR: The -- the bingo licensee pays
3 the fine, and it goes to the county.

4 CHAIRMAN KOHN: Is that an individual?

5 MS. KERR: No. The licensee.

6 CHAIRMAN KOHN: The post?

7 MS. KERR: The post. Right.

8 CHAIRMAN KOHN: The American Legion post?

9 MS. KERR: Right. And then it goes to the
10 treasurer of the county where they're located.

11 CHAIRMAN KOHN: It doesn't go to the
12 commission.

13 MS. KERR: Sorry.

14 CHAIRMAN KOHN: Is this -- is this a common
15 thing, or is this -- or -- is it a common thing and
16 they just happened to get caught, or is this an
17 unusual --

18 COMMISSIONER JAMISON: It might be a common
19 thing, but they're a licensee of ours, and so it puts
20 them under our regulation.

21 CHAIRMAN KOHN: Yeah. But I mean, I just
22 wondered how many --

23 MS. KERR: We've -- we've had a few in the
24 past, but I don't know that it's a common thing.
25 Usually we'll -- a complaint will be made, and that's

1 when we find out about it, and so we'll send somebody
2 to investigate that. But I don't --

3 CHAIRMAN KOHN: So it's reported to us
4 before we do anything.

5 MS. KERR: Correct. I mean, it -- the
6 times it's come to us before, that's how it's -- it's
7 been reported to us. Right.

8 CHAIRMAN KOHN: Is there a motion to
9 approve Resolution 17-002-B?

10 COMMISSIONER FINNEY: Motion to approve.

11 COMMISSIONER NEER: Second.

12 CHAIRMAN KOHN: Discussion on the motion?
13 Angie.

14 MS. FRANKS: Commissioner Finney.

15 COMMISSIONER FINNEY: Approve.

16 MS. FRANKS: Commissioner Lombardo.

17 COMMISSIONER LOMBARDO: Approve.

18 MS. FRANKS: Commissioner Neer.

19 COMMISSIONER NEER: Approve.

20 MS. FRANKS: Commissioner Jamison.

21 COMMISSIONER JAMISON: Approved.

22 MS. FRANKS: Chairman Kohn.

23 CHAIRMAN KOHN: Approve.

24 MS. FRANKS: By your vote, you've adopted
25 Resolution Number 17-002-B.

1 Holcomb? Is there a motion to approve Resolution
2 17-003-B?

3 COMMISSIONER JAMISON: So moved.

4 COMMISSIONER FINNEY: Second.

5 CHAIRMAN KOHN: Discussion on the motion?

6 Angie.

7 MS. FRANKS: Commissioner Finney.

8 COMMISSIONER FINNEY: Approve.

9 MS. FRANKS: Commissioner Lombardo.

10 COMMISSIONER LOMBARDO: Approve.

11 MS. FRANKS: Commissioner Neer.

12 COMMISSIONER NEER: Approve.

13 MS. FRANKS: Commissioner Jamison.

14 COMMISSIONER JAMISON: Approved.

15 MS. FRANKS: Chairman Kohn.

16 CHAIRMAN KOHN: Approve.

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

18 Resolution Number 17-003-B.

19 CHAIRMAN KOHN: Sergeant Holcomb.

20 COMMISSIONER JAMISON: He did both of them.

21 MS. FRANKS: Yeah.

22 COMMISSIONER JAMISON: We're ready for the
23 resolution. I move --

24 CHAIRMAN KOHN: Wait a minute. We haven't
25 done 3-B. Or 4-B.

1 COMMISSIONER JAMISON: I know. But he's
2 already reported on it.

3 CHAIRMAN KOHN: All right. Is there a
4 motion to approve with respect to Resolution 17-004-B?

5 COMMISSIONER JAMISON: So moved.

6 COMMISSIONER FINNEY: Second.

7 CHAIRMAN KOHN: Discussion on the motion?
8 Angie.

9 MS. FRANKS: Commissioner Finney.

10 COMMISSIONER FINNEY: Approve.

11 MS. FRANKS: Commissioner Lombardo.

12 COMMISSIONER LOMBARDO: Approve.

13 MS. FRANKS: Commissioner Neer.

14 COMMISSIONER NEER: Approve.

15 MS. FRANKS: Commissioner Jamison.

16 COMMISSIONER JAMISON: Approve.

17 MS. FRANKS: Chairman Kohn.

18 CHAIRMAN KOHN: Approve.

19 MS. FRANKS: By your vote, you've adopted
20 Resolution Number 17-004-B.

21 CHAIRMAN KOHN: Mr. Siebert.

22 MR. SIEBERT: The next order of business is
23 Chairman Delegation Resolution, to be presented by
24 Mr. Ed Grewach.

25 MR. GREWACH: Thank you. Our Rule 1.020(4)

1 authorizes the commission to delegate to the chairman,
2 and in his absence the vice-chairman, the authority to
3 extend any license up to 60 days subject to the
4 ratification by the full commission at the next
5 regularly scheduled meeting. This has been essential
6 in cases where for one reason or another we're unable
7 to complete an investigation or presentation before
8 the expiration of one of our licensees. The rule also
9 requires that it be done every year, so therefore
10 we're presenting this to you for the -- for the
11 commission to delegate those authorities for the next
12 calendar year.

13 CHAIRMAN KOHN: Is there a motion to
14 approve Resolution 17-060?

15 COMMISSIONER FINNEY: Motion to approve.

16 COMMISSIONER NEER: Second.

17 CHAIRMAN KOHN: Discussion on the motion?
18 Angie.

19 MS. FRANKS: Commissioner Finney.

20 COMMISSIONER FINNEY: Approve.

21 MS. FRANKS: Commissioner Lombardo.

22 COMMISSIONER LOMBARDO: Approve.

23 MS. FRANKS: Commissioner Neer.

24 COMMISSIONER NEER: Approve.

25 MS. FRANKS: Commissioner Jamison.

1 COMMISSIONER JAMISON: Approved.

2 MS. FRANKS: Chairman Kohn.

3 CHAIRMAN KOHN: Approve.

4 MS. FRANKS: By your vote, you've adopted
5 Resolution Number 17-060.

6 MR. GREWACH: Thank you.

7 CHAIRMAN KOHN: Thank you, Ed. That
8 concludes our open session for the day. We will go
9 into closed session. But chances are we will not be
10 conducting any business afterwards, so no need to hang
11 around again. Is there a motion to go into closed
12 session? Mr. Jamison.

13 COMMISSIONER JAMISON: I make a motion for
14 a closed meeting under Section 313.847 and 313.945,
15 Revised Missouri Statutes, Investigatory, Proprietary
16 and Application Records; and 610.021 Subparagraph 1,
17 Revised Missouri Statutes, Legal Actions; Subparagraph
18 3 and 13, Personnel; and Subparagraph 14, Records
19 Protected from Disclosure by Law.

20 COMMISSIONER LOMBARDO: Second.

21 CHAIRMAN KOHN: Angie.

22 MS. FRANKS: Commissioner Finney.

23 COMMISSIONER FINNEY: Approve.

24 MS. FRANKS: Commissioner Lombardo.

25 COMMISSIONER LOMBARDO: Second.

1 MS. FRANKS: Commissioner Neer.
2 COMMISSIONER LOMBARDO: Approve.
3 COMMISSIONER NEER: Approve.
4 MS. FRANKS: Commissioner Jamison.
5 COMMISSIONER JAMISON: Approved.
6 MS. FRANKS: Chairman Kohn.
7 CHAIRMAN KOHN: Approved. Thank you all
8 for coming. I know it's been a long day. Three and a
9 half hours, almost. May set a record. And we'll see
10 you on January 10.

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15 (Ending time of the hearing: 12:24 p.m.)

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1 CERTIFICATE OF REPORTER

2

3 I, Sarah J. Pokorski, CCR, a Certified Court
4 Reporter in the State of Missouri, do hereby certify
5 that the testimony that appears in the foregoing
6 transcript was taken by me to the best of my ability
7 and thereafter reduced to typewriting by me; that I am
8 neither counsel for, related to, nor employed by any
9 of the parties to the action in which this hearing was
10 taken, and further that I am not a relative or
11 employee of any attorney or counsel employed by the
12 parties thereto, nor financially or otherwise
13 interested in the outcome of the action.

14

15

16

Sarah J. Pokorski
CCR No. 745

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ERIC R. GREITENS
GOVERNOR

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CHAIRMAN

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MEETING NOTICE

Date: December 6, 2017
Time: 9:00 a.m.
Place: Missouri Gaming Commission
3417 Knipp Drive
Jefferson City, Missouri

***Special Accommodations: Accommodations for people with disabilities are available. Please contact us either by telephone at (573) 526-2326, or e-mail at MeetingCoordinator@mgc.dps.mo.gov, 72 hours in advance of the meeting, if possible.*

Tentative Agenda

- I. Call to Order
- II. Consideration of Minutes
 - A. October 24, 2017
 - B. October 25, 2017
- III. Consideration of Licensure of Key Business Entity and Joint Petition for Approval of Change of Control
 - C. Resolution No. 17-057
- IV. Consideration of Licensure of Certain Fantasy Sports Contest Operators
 - D. FanDuel Inc.
 - Presentation by Applicant
 - Investigative Summary
 - Staff Recommendation

- E. Fantasy Draft, LLC
 - Presentation by Applicant
 - Investigative Summary
 - Staff Recommendation

- F. SportsHub Technologies, LLC d/b/a CDM Sports
 - Presentation by Applicant
 - Investigative Summary
 - Staff Recommendation

- **Motion to Close Meeting under Sections 313.945, RSMo., Investigatory, Proprietary and Application Records and 610.021(14), RSMo., Records Protected from Disclosure by Law.**
 1. Resolution No. 17-054 (FanDuel Inc.)
 2. Resolution No. 17-055 (Fantasy Draft, LLC)
 3. Resolution No. 17-056 (SportsHub Technologies, LLC d/b/a CDM Sports)

V. Consideration of Licensure of Level I and Key Applicants

- G. Resolution No. 17-058

VI. Consideration of Relicensure of Certain Supplier

- H. Everi Payments, Inc.
 1. Resolution No. 17-059

VII. Consideration of Rules and Regulations

- I. Rescission of Rules and Regulations that Overlap, Duplicate or Conflict with a Statute or Another Rule
 1. 11 CSR 45-4.070 – Competitiveness Standards
 2. 11 CSR 45-4.430 – Waiver of Requirements
 3. 11 CSR 45-5.280 – Forfeiture of Illegal Winnings
 4. 11 CSR 45-6.050 – Limited License
 5. 11 CSR 45-7.140 – Requests for Exemptions
 6. 11 CSR 45-8.160 – Extension of Time for Reporting

7. 11 CSR 45-10.070 – Effect of Another Jurisdiction’s Orders
8. 11 CSR 45-10.115 – List of Barred Persons
9. 11 CSR 45-11.170 – Exemptions
10. 11 CSR 45-11.180 – Estoppel
11. 11 CSR 45-30.500 – Bingo on Military Installations
12. 11 CSR 45-31.005 – Procedures for Disciplinary Actions and Hearings

J. Rescission of Rules and Regulations that are Unnecessary, Not Essential to the Health, Safety or Welfare of Missouri Residents, or are Obsolete

1. 11 CSR 45-1.040 – Enrollment of Attorneys and Scope of Practice
2. 11 CSR 45-5.020 – Posting of Address of Commission
3. 11 CSR 45-5.250 – Finder’s Fees
4. 11 CSR 45-6.060 – Excursions During Inclement Weather or Mechanical Difficulties
5. 11 CSR 45-10.080 – Fair Market Value of Contracts
6. 11 CSR 45-14.010 – Policy
7. 11 CSR 45-14.020 – Determination to Seek Supervisor
8. 11 CSR 45-14.030 – Authority of Supervisor
9. 11 CSR 45-14.040 – Termination
10. 11 CSR 45-14.050 – Distribution of Earnings to Former Legal Owners
11. 11 CSR 45-16.010 – Definitions
12. 11 CSR 45-16.020 – Registration Required
13. 11 CSR 45-16.030 – Registration Exemption
14. 11 CSR 45-16.040 – Information Required of Local Labor Organization
15. 11 CSR 45-16.050 – Information Required of Listed Labor Organization Personnel
16. 11 CSR 45-16.060 – Commission May Require Certain Persons to Provide Information
17. 11 CSR 45-16.070 – Required Revisions of List
18. 11 CSR 45-16.080 – Interest in Class A Licensee Prohibited
19. 11 CSR 45-16.090 – Failure to Comply—Consequences

- K. Rescission of Rules and Regulations for which the Cost of the Regulation Outweigh Their Benefits
 - 1. 11 CSR 45-5.400 – Junket, Junket Enterprises, Junket Representatives—Definitions
 - 2. 11 CSR 45-5.410 – Junket Enterprise; Junket Representative; Agents; Employees—Policies and Prohibited Activities
 - 3. 11 CSR 45-5.420 – Junket—Agreements and Final Reports

- L. Rescission of Rules and Regulations Relating to Horse Racing
 - 1. 11 CSR 45-60.010 – Commission Officials
 - 2. 11 CSR 45-60.020 – Judges
 - 3. 11 CSR 45-60.025 – Stewards
 - 4. 11 CSR 45-60.030 – Commission Veterinarian
 - 5. 11 CSR 45-60.040 – Commission Laboratory
 - 6. 11 CSR 45-60.050 – Suspensions
 - 7. 11 CSR 45-60.055 – Effect of Suspension or Revocation on Spouse
 - 8. 11 CSR 45-60.060 – Conflict Between U.S.T.A. and Commission Rules
 - 9. 11 CSR 45-61.010 – General Considerations
 - 10. 11 CSR 45-61.015 – Thoroughbred Association Officials
 - 11. 11 CSR 45-61.020 – Racing Secretary
 - 12. 11 CSR 45-61.021 – Racing Secretary (Thoroughbred)
 - 13. 11 CSR 45-61.022 – Paddock Judge—Thoroughbred
 - 14. 11 CSR 45-61.023 – Horse Identifier—Thoroughbred
 - 15. 11 CSR 45-61.024 – Clerk of the Scales
 - 16. 11 CSR 45-61.025 – Starter
 - 17. 11 CSR 45-61.026 – Timer
 - 18. 11 CSR 45-61.027 – Patrol and Placing Judges
 - 19. 11 CSR 45-61.028 – Association Veterinarian
 - 20. 11 CSR 45-61.029 – Jockey Room Custodian and Valet Attendants
 - 21. 11 CSR 45-61.030 – Adoption of Rule 6 of U.S.T.A.
 - 22. 11 CSR 45-62.010 – General Requirements
 - 23. 11 CSR 45-62.020 – Commission Offices
 - 24. 11 CSR 45-62.030 – Ejection

25. 11 CSR 45-62.035 – Stands for Officials—Thoroughbred and Quarter Horse
26. 11 CSR 45-62.040 – Racing Surfaces
27. 11 CSR 45-62.050 – Public Information
28. 11 CSR 45-62.055 – Program
29. 11 CSR 45-62.060 – Numbers of Races per Performance
30. 11 CSR 45-62.070 – Appointment of Racing Officials and Department Heads
31. 11 CSR 45-62.080 – Trust Funds
32. 11 CSR 45-62.090 – Condition Book
33. 11 CSR 45-62.100 – Photo-Finish Equipment
34. 11 CSR 45-62.110 – VTR Equipment
35. 11 CSR 45-62.120 – Photograph Posted
36. 11 CSR 45-62.130 – Driver’s Stand
37. 11 CSR 45-62.140 – Starting Gate
38. 11 CSR 45-62.145 – Distance Poles (Thoroughbred and Quarter Horse)
39. 11 CSR 45-62.150 – Detention Enclosure
40. 11 CSR 45-62.160 – Grounds’ Facilities, Water and Sewage
41. 11 CSR 45-62.170 – Safety and Medical Aid
42. 11 CSR 45-62.180 – Fire Protection
43. 11 CSR 45-62.190 – Stable and Ground Security
44. 11 CSR 45-62.200 – Electric Timing Device
45. 11 CSR 45-62.205 – Lighting
46. 11 CSR 45-62.210 – Patrol Judge’s Communication
47. 11 CSR 45-62.220 – Hippodroming Ban
48. 11 CSR 45-62.230 – Communication System
49. 11 CSR 45-62.240 – Primary and Secondary Liability
50. 11 CSR 45-62.250 – Listening Devices
51. 11 CSR 45-62.260 – Payment of Purses
52. 11 CSR 45-65.010 – General Provisions for Class C Licenses
53. 11 CSR 45-65.020 – Specific Licenses
54. 11 CSR 45-65.030 – Fees
55. 11 CSR 45-65.035 – Prohibited Acts
56. 11 CSR 45-65.040 – Duties of Specific Licensees

57. 11 CSR 45-67.010 – Ejection of Patrons
58. 11 CSR 45-70.010 – Rules of Racing—Harness
59. 11 CSR 45-70.011 – Rules of Racing—Thoroughbred and Quarter Horse
60. 11 CSR 45-70.012 – Claiming
61. 11 CSR 45-70.040 – Bleeder List
62. 11 CSR 45-80.010 – General
63. 11 CSR 45-80.020 – Pools Authorized
64. 11 CSR 45-80.030 – Win Pool
65. 11 CSR 45-80.040 – Place Pool
66. 11 CSR 45-80.050 – Show Pool
67. 11 CSR 45-80.060 – Daily Double Pool
68. 11 CSR 45-80.070 – Quinella Pool
69. 11 CSR 45-80.080 – Exacta Pool (also known as Perfecta)
70. 11 CSR 45-80.090 – Trifecta (Triple) Pool
71. 11 CSR 45-80.091 – Twin Trifecta (Double Triple) Pool
72. 11 CSR 45-80.100 – Refunds
73. 11 CSR 45-80.110 – Race Cancelled
74. 11 CSR 45-80.120 – Totalisator Breakdown
75. 11 CSR 45-80.130 – Minimum Wager and Payoff
76. 11 CSR 45-80.140 – Odds or Payoffs Posted
77. 11 CSR 45-80.150 – Betting Explanation
78. 11 CSR 45-80.160 – Pools Dependent Upon Entries
79. 11 CSR 45-80.170 – Pari-Mutuel Ticket Sales
80. 11 CSR 45-80.180 – Payment
81. 11 CSR 45-80.190 – Responsibility for Posting Results
82. 11 CSR 45-80.200 – Verification of Payoffs
83. 11 CSR 45-80.210 – Over and Under Payments of Payoffs
84. 11 CSR 45-80.220 – Coupled Betting Interests
85. 11 CSR 45-80.230 – Emergency Situations
86. 11 CSR 45-80.240 – Totalisator Employees
87. 11 CSR 45-80.250 – Remission of Outs and Breakage
88. 11 CSR 45-90.010 – Judges’ Summary Hearings
89. 11 CSR 45-90.020 – Appeal of the Decision of the Judges

90. 11 CSR 45-90.030 – Appeals to the Commission to be Heard De
Novo

VIII. Consideration of Bingo Settlement

- M. American Legion Howard S. Keeling Unit No. 138
 - 1. Resolution No. 17-002-B

IX. Consideration of Relicensure of Bingo Manufacturers and Suppliers

- N. Bingo Manufacturers
 - 1. Resolution No. 17-003-B
- O. Bingo Suppliers
 - 1. Resolution No. 17-004-B

X. Chairman Delegation Resolution

- P. Resolution No. 17-060

**XI. Motion for Closed Meeting under Sections 313.847 and 313.945, RSMo.,
Investigatory, Proprietary and Application Records and 610.021(1),
RSMo., Legal Actions, (3) & (13) Personnel and (14) Records Protected
from Disclosure by Law**

XII. Motion to Open Meeting

XIII. Adjournment

MISSOURI GAMING COMMISSION
Open Session Minutes
December 6, 2017

The Missouri Gaming Commission (the “Commission”) went into open session at approximately 12:40 p.m. on December 6, 2017, at the Jefferson City office of the Missouri Gaming Commission.

Commissioner Jamison moved to adjourn the open session meeting. Commissioner Lombardo seconded the motion. After a roll call vote was taken, Finney – yes, Lombardo – yes, Neer – yes, Jamison – yes, and Kohn – yes, the motion was unanimously approved.

The meeting ended at 12:41 p.m.