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BEFORE THE MISSOURI GAMING COMMISSION

Meeting  
December 5, 2018  
10:00 a.m.  
3417 Knipp Drive  
Jefferson City, Missouri 65109

BEFORE: Brian Jamison, Chairman  
Thomas Neer, Commissioner  
Richard F. Lombardo, Commissioner  
Daniel P. Finney, III, Commissioner  
Brandon Boulware, Commissioner

Reported by:  
Patricia A. Stewart, CCR 401  
Alaris Litigation Services  
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1 (Start time: 10:00 a.m.)

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

3 CHAIRMAN JAMISON: I'll call the December 5th  
4 meeting to order.

5 Angie, would you please call the roll.

6 MS. FRANKS: Commissioner Boulware.

7 COMMISSIONER BOULWARE: Present.

8 MS. FRANKS: Commissioner Finney.

9 COMMISSIONER FINNEY: Present.

10 MS. FRANKS: Commissioner Lombardo.

11 COMMISSIONER LOMBARDO: Present.

12 MS. FRANKS: Commissioner Neer.

13 COMMISSIONER NEER: Present.

14 MS. FRANKS: Chairman Jamison.

15 CHAIRMAN JAMISON: Present.

16 I'd like to take a moment and welcome Brandon  
17 Boulware as our newest member of the Commission. He was  
18 appointed and replaced Herb Kohn. And at the same time  
19 I would just like to publicly extend our appreciation to  
20 Herb's leadership over the last several years, but know  
21 that Brandon will do a great job in serving on the  
22 Commission and glad to have you here.

23 COMMISSIONER BOULWARE: Thank you.

24 CHAIRMAN JAMISON: So, Director, do you have  
25 some presentations you want to do before we do the

1 consideration of minutes?

2 EXECUTIVE DIRECTOR SEIBERT: Yes, we do.

3 We have some recognitions, and Deputy  
4 Director Tim McGrail will make those presentations.

5 DEPUTY DIRECTOR MCGRAIL: Chairman, good  
6 morning. Good morning everyone.

7 CHAIRMAN/COMMISSIONERS: Good morning.

8 DEPUTY DIRECTOR MCGRAIL: If I could have  
9 Annette Turner come forward, please.

10 Today we're recognizing Annette Turner, and  
11 this is for years of service. She has 24 plus years  
12 with the Missouri Gaming Commission. I won't say she's  
13 the second oldest but she's the second longest tenure  
14 with the Commission.

15 She has roughly about 32 years total with the  
16 State. Prior to that I think she was with the  
17 Department of Corrections, but she's been with us almost  
18 since the inception of the Gaming Commission, and she's  
19 planning on leaving us later on this year. So probably  
20 in the next couple weeks I think we're going to end up  
21 losing Annette.

22 But she began her career on August 1st of  
23 1994. She's had several title changes. She started as  
24 a Terminal Technician. Who knows what that is? No  
25 clue. Then changed to a Clerk Typist, Senior Office

1 Support Assistant and then final as far as an  
2 administrative position, but she's been involved with  
3 the DAP program basically since she's been here at its  
4 inception. So I wouldn't say she's the mother of the  
5 DAP but she is the guardian of the DAPs.

6 Since that time she's continuously worked to  
7 improve the program and has implemented many  
8 enhancements to ensure that the DAP program meets the  
9 needs of the clients, as well as the State of Missouri.

10 As I said earlier, she's announced that she's  
11 retiring from State service. She's planning on moving  
12 closer to family I believe after this.

13 So, please, if you all will, we want to  
14 recognize Annette, wish her the very best as she moves  
15 into the next phase of her life.

16 (Applause.)

17 MS. TURNER: Thank you. Thank you very much.

18 CHAIRMAN JAMISON: Annette, congratulations  
19 on your retirement from the Commission as well.

20 MS. TURNER: Thank you, sir.

21 DEPUTY DIRECTOR MCGRAIL: So the next one  
22 is -- it's been a quarter. So we're at that phase where  
23 we're recognizing the Missouri Gaming Commission as far  
24 as the employee of the quarter who exemplifies hard work  
25 and achievement. So we especially recognize those

1 employees that truly follow the core values of service,  
2 integrity and professionalism in their daily activities.

3           This quarter we are honoring Kelly Allen, EGD  
4 Coordinator from St. Louis.

5           She's too excited.

6           I can't go into big detail. I want to tell  
7 you what she's done, and some of them will -- they'll  
8 know exactly what it is.

9           So Kelly can always be counted on to be  
10 professional and apply the Missouri Gaming Commission's  
11 core values. As I said earlier, her integrity, job  
12 knowledge have earned her this honor for the dedication  
13 during a software kiosk installation at one of the  
14 casinos in March of this year.

15           Both the casino management and the supplier  
16 had admirable comments about her commitment to ensure  
17 the installation reached a successful conclusion.

18           The project was tougher than expected, and  
19 Kelly stuck with it, and her positive reinforcement to  
20 those involved earned her the respect of both the  
21 industry and the agents.

22           So let's congratulate again Kelly Allen for  
23 her continued hard work and dedication. And you get a  
24 free parking spot and you get lunch with the Executive  
25 Director, so don't forget that.

1                   Just smile.

2                   Congratulations.

3                   MS. ALLEN: Thank you.

4                   EXECUTIVE DIRECTOR SEIBERT: Kelly, I have to  
5 say, when I was over at the office Friday and you kept  
6 saying you were coming over here, I had to bite my  
7 tongue.

8                   MS. ALLEN: I wasn't going to actually. Todd  
9 made a big deal.

10                  CHAIRMAN JAMISON: I would appreciate a  
11 motion for consideration of the minutes of the  
12 October 31st meeting.

13                  COMMISSIONER LOMBARDO: Motion to approve.

14                  COMMISSIONER FINNEY: Second.

15                  CHAIRMAN JAMISON: Angie.

16                  MS. FRANKS: Commissioner Boulware.

17                  COMMISSIONER BOULWARE: I think I need to  
18 abstain from this one.

19                  CHAIRMAN JAMISON: Okay.

20                  MS. FRANKS: Commissioner Finney.

21                  COMMISSIONER FINNEY: Approved.

22                  MS. FRANKS: Commissioner Lombardo.

23                  COMMISSIONER LOMBARDO: Approved.

24                  MS. FRANKS: Commissioner Neer.

25                  COMMISSIONER NEER: Approved.

1 MS. FRANKS: Chairman Jamison.

2 CHAIRMAN JAMISON: Approved.

3 MS. FRANKS: By your vote you've adopted the  
4 minutes of the October 31st, 2018 meeting.

5 CHAIRMAN JAMISON: Now we're ready for the  
6 consideration of licensure.

7 EXECUTIVE DIRECTOR SEIBERT: Yes.

8 Mr. Chairman, the first item on the agenda is  
9 Consideration of Licensure of Fantasy Sports Operators,  
10 FantasyDraft. Mr. Steve Krombolz will present and make  
11 any presentations that are necessary.

12 MR. KROMBOLZ: Good morning.

13 You can hear me. Right?

14 CHAIRMAN JAMISON: No. We need for it to be  
15 turned on. I can hear you but we still need for it to  
16 be turned on.

17 MR. KROMBOLZ: There we go.

18 I'm Steve Krombolz, founder and CEO of  
19 FantasyDraft We're a daily fantasy sports operator.  
20 We've been around since 2014, so we are one of the  
21 longer tenured companies in this space. There's been a  
22 lot that have come and gone in that time, so we're proud  
23 to say that we're still alive and kicking and moving  
24 forward.

25 So I appreciate you having me today. It's

1 been a long time coming. We've been working with your  
2 staff to get this finalized, and there's been a lot of  
3 patience on your end, so we appreciate that.

4 I put together a short deck, just a high-  
5 level overview of who we are and what we do. So again,  
6 it just touches on who we are.

7 We were launched in 2014. My partner and I  
8 started this site. We're headquartered in Charlotte,  
9 North Carolina. We operate in 40 states today,  
10 including every state that has passed DFS specific laws,  
11 minus Delaware. We skipped Delaware. So we're fully  
12 licensed and regulated and in compliance with all of the  
13 laws of various states.

14 We've got a 20-member team at the company, so  
15 we're a little bit smaller than the large guys, a  
16 100 percent private investment team. So we're privately  
17 funded by a group of Wall Street private equity guys and  
18 some local businessmen in Charlotte. We offer contests  
19 across NFL, NBA, MLB, PGA and NHL and have been doing so  
20 again for four years.

21 Again, I'm a founder and CEO, with my partner  
22 Tim Weisbrod. We've got a long history of running and  
23 building e-commerce sites, which is what we did in the  
24 past and sort of what we're doing now, because for all  
25 intents and purposes we are an e-commerce site.

1                   Just to touch on our philosophy. We've  
2 always been a site that focuses on being player  
3 friendly, so we've launched with the concept of being  
4 the site puts players first. We don't have to go too  
5 deep into what that means, but it just means that we put  
6 the players above all else, so we try to make it a fair  
7 and fun environment for everybody that is playing on our  
8 site, including best in class customer service.

9                   Again, we're fully compliant with all  
10 regulatory bodies, and we've invested a lot of time and  
11 money into our platform to make sure it's, No. 1, user  
12 friendly, offers a product that the customers like, and,  
13 No. 2, more importantly that it's compliant with  
14 regulations.

15                   And we've done that from the start. So a lot  
16 of the stuff before it was put into law was sort of  
17 common-sense practices that we built in from the ground  
18 up, so we didn't have to go back up and loop around and  
19 do a lot of the development work when a lot of these  
20 laws came online.

21                   Again, we operate in the same states as  
22 pretty much everybody else. There's a number of states  
23 that no one operates in for obvious reasons. The only  
24 other example -- the only outlier there is Delaware,  
25 which we chose not to enter.

1                   And then this just touches on some of the --  
2     you know, our marketing partners and the level of  
3     respect that they have for us and the reputation we've  
4     built in space.

5                   So that's it at a high level. I don't know  
6     if anybody has any questions. I'd be happy to answer  
7     them.

8                   CHAIRMAN JAMISON: Any questions from the  
9     Commissioners?

10                  COMMISSIONER LOMBARDO: Well, I have a  
11     question but it may be better directed to the staff --  
12     or to the general counsel, to Ed, and it's really just a  
13     matter of going over something we've talked about  
14     before.

15                  You know, looking at the financials your  
16     company has never made a profit, which is not that  
17     unique in --

18                  MR. KROMBOLZ: No, not at all.

19                  COMMISSIONER LOMBARDO: -- terms of fantasy  
20     business.

21                  So, Ed, if you could maybe go over what kind  
22     of safeguards there are for the citizens of Missouri in  
23     terms of who actually engage in this in terms of their  
24     money.

25                  MR. GREWACH: Yes.

1           FantasyDraft has established pursuant to our  
2 requirements an escrow fund which contains an amount  
3 equal to the amount owed to Missouri players, and that  
4 fund is set up through a contract with the bank in which  
5 it's deposited, and it cannot be withdrawn without the  
6 express written consent of the Missouri Gaming  
7 Commission.

8           Once they're licensed, once a month they will  
9 send to us the total calculation and manner of  
10 calculation of the money owed to Missouri players and  
11 the documentation and the amount in their accounts so  
12 that we will know that in the event that something would  
13 happen to the company, we could then draw -- as a  
14 Commission could draw that money out of that account and  
15 make sure it gets distributed to the Missouri players.

16           COMMISSIONER LOMBARDO: And you're satisfied  
17 that FantasyDraft, LLC is fully compliant with the  
18 regulations that the Commission has set out?

19           MR. GREWACH: Yes, they are.

20           COMMISSIONER LOMBARDO: Okay.

21           CHAIRMAN JAMISON: Tom.

22           COMMISSIONER NEER: With your current  
23 business model, approximately how long do you anticipate  
24 it will be before the corporation as a whole shows a  
25 profit?

1           MR. KROMBOLZ: Well, the space is changing a  
2 lot, as I think everybody is very much aware, with the  
3 advent of sports betting, so there's a number of routes  
4 that the company could take.

5           We could go in the direction of FanDuel and  
6 DraftKings and obtain sports betting licenses in the  
7 jurisdictions where it's approved.

8           Operating solely as a fantasy -- as a daily  
9 fantasy sports provider, assuming that we stayed the  
10 course, we could achieve profitability in 12 to  
11 18 months.

12           We've got an investment group that's fully  
13 committed to the business, and again, there's  
14 opportunities for us in other channels outside of DFS  
15 that could make a much larger business prospect down the  
16 road when you're looking at sort of the addressable  
17 market.

18           So we're always in discussions with a lot of  
19 interested parties in that regard. There's a lot of  
20 activity going on related to sports betting for obvious  
21 reasons.

22           But we've been very fortunate because we have  
23 a private group of investors who have invested in the  
24 business with the intent of it being much bigger, so we  
25 don't have to go out and raise capital. So if I need

1 funding for next year, I have this group in place that's  
2 committed to fund it. I don't have to go on a road show  
3 to a bunch of banks in terms of raising it.

4 COMMISSIONER NEER: So you haven't  
5 established a particular target?

6 MR. KROMBOLZ: We don't have a specific  
7 target, no, but we have a number of strategic directions  
8 that could take the company in different, you know,  
9 verticals than we're in now.

10 CHAIRMAN JAMISON: A followup to your comment  
11 with a question.

12 And I don't want you -- if you're not  
13 comfortable answering this, I understand that also, but  
14 right now you haven't gone down that route of pursuing  
15 sports betting in states that have allowed that yet, or  
16 have you?

17 MR. KROMBOLZ: We have not. I've gone and  
18 met with a number of the stakeholders. So, you know, it  
19 has to go -- for instance, New Jersey, you have to get a  
20 skin through a casino. I've met with a number of  
21 casinos on approaching the topic of getting skins. We  
22 haven't done it yet. We haven't obtained one. But  
23 we're certainly in discussions. We're also in  
24 discussions with a lot of the European companies that  
25 are coming over.

1                   So there's a whole lot -- that's why I say  
2 there is sort of a frenzied level of activity in the  
3 space as it pertains to how daily fantasy and sports  
4 betting sort of can work together.

5                   CHAIRMAN JAMISON: Another question?

6                   COMMISSIONER LOMBARDO: Yeah.

7                   What's your current market share, if you  
8 know, with the fantasy sports segment?

9                   MR. KROMBOLZ: I don't have the exact figure.

10                  When you look at daily fantasy, you have two  
11 monstrous companies, and then we're a third in the  
12 space, between us and Yahoo. But we probably have  
13 3 percent market share compared to them. It just sort  
14 of correlates to the level of expenditure from the  
15 companies. If you spend hundreds of millions to acquire  
16 customers, you're going to be a lot bigger than someone  
17 who spends a few million. So probably give or take  
18 3 percent.

19                  CHAIRMAN JAMISON: Dan, any questions?

20                  COMMISSIONER FINNEY: No. Thank you.

21                  CHAIRMAN JAMISON: Well, we appreciate you  
22 being with us here today.

23                  MR. KROMBOLZ: Thanks for having me.

24                  CHAIRMAN JAMISON: Thanks very much.

25                  MR. KROMBOLZ: All right.

1 EXECUTIVE DIRECTOR SEIBERT: Mr. Chairman,  
2 next will be the investigative summary presented by  
3 Lieutenant Ed Aylward.

4 LIEUTENANT AYLWARD: First off,  
5 congratulations now Chairman Jamison.

6 CHAIRMAN JAMISON: Thank you.

7 LIEUTENANT AYLWARD: And welcome  
8 Commissioner Boulware.

9 COMMISSIONER BOULWARE: Thank you.

10 LIEUTENANT AYLWARD: Mr. Chairman and  
11 Commissioners, pursuant to the Revised Statutes of  
12 Missouri, Chapter 313, Section 935, paragraph 4, quote,  
13 any fantasy sports contest operator already operating in  
14 the state prior to April 2016 may operate until they  
15 have received or have been denied a license, end quote.

16 Those operators were required to submit an  
17 application post-marked by October 1st, 2016. As a  
18 result of this statutory requirement, six fantasy sports  
19 operators submitted an application prior to the  
20 October 1st, 2016 deadline and were grandfathered to  
21 continue operating while awaiting licensure.

22 Of the original six companies one withdrew.  
23 FantasyDraft, LLC is the final fantasy sports operator  
24 who fell into the statutory grandfathered category to  
25 come before the Commission for licensure.

1 Missouri Gaming Commission staff, financial  
2 investigators with the Missouri Gaming Commission and  
3 Missouri State Highway Patrol investigators completed  
4 application reviews and verification of statutory  
5 compliance for the final grandfathered fantasy sports  
6 operator who has applied for licensure with the State of  
7 Missouri, FantasyDraft, LLC.

8 The results of these reviews and statutory  
9 verification were provided to the MGC staff and you have  
10 all related summary reports before you.

11 Thank you.

12 CHAIRMAN JAMISON: Any questions?

13 COMMISSIONER NEER: No, sir.

14 COMMISSIONER FINNEY: Thank you, Lieutenant.

15 CHAIRMAN JAMISON: Thank you.

16 Staff recommendation.

17 EXECUTIVE DIRECTOR SEIBERT: The  
18 recommendation is for approval.

19 CHAIRMAN JAMISON: Okay. Does any  
20 Commissioner have a desire to go into a closed meeting  
21 to discuss any issues with this applicant? If so, I  
22 would ask them to make a motion as such.

23 Okay. I'd entertain a motion for  
24 Resolution 18-060.

25 COMMISSIONER NEER: Motion to approve.

1 COMMISSIONER FINNEY: Second.

2 CHAIRMAN JAMISON: Angie.

3 MS. FRANKS: Commissioner Boulware.

4 COMMISSIONER BOULWARE: Approved.

5 MS. FRANKS: Commissioner Finney.

6 COMMISSIONER FINNEY: Approved.

7 MS. FRANKS: Commissioner Lombardo.

8 COMMISSIONER LOMBARDO: Approved.

9 MS. FRANKS: Commissioner Neer.

10 COMMISSIONER NEER: Approved.

11 MS. FRANKS: Chairman Jamison.

12 CHAIRMAN JAMISON: Approved.

13 MS. FRANKS: By your vote you've adopted  
14 Resolution No. 18-060.

15 CHAIRMAN JAMISON: Now we're ready for  
16 consideration of hearing officer recommendations.

17 EXECUTIVE DIRECTOR SEIBERT: The next order  
18 of business is Consideration of Hearing Officer  
19 Recommendations. Mr. Charles Steib will present.

20 CHAIRMAN JAMISON: And just a note on the  
21 agenda, Item C, Resolution 18-057, has been put off for  
22 a 30-day period until the next meeting.

23 MR. STEIB: Good morning. May it please the  
24 Commission.

25 The first item on our agenda -- actually the

1 second item on your agenda now is that of Spain Q.  
2 Mitchem, DC-18-041.

3 The primary issue in this case is the writing  
4 of a check for which there were insufficient funds in  
5 that account. The licensee holds a Level II license as  
6 a security officer.

7 On June 14th of 2017 he wrote a check for  
8 \$3,782.02 to the Department of Revenue, which was for  
9 the sales tax on a vehicle that his and his fiancée were  
10 purchasing. At that time there were insufficient funds  
11 in the account. Mr. Mitchem did that on the affirmation  
12 from his fiancée that she had the funds and would place  
13 the funds in the account on the next day. That, in  
14 fact, never happened.

15 On January 18th, 2018, therefore, Mr. Mitchem  
16 was charged in the Cole County Circuit Court of issuing  
17 a bad check. He then pled guilty to that charge. He  
18 received a suspended imposition of sentence, was ordered  
19 to pay restitution, which he has done, and to pay all  
20 costs, which he has done, and was placed on two years on  
21 supervised probation. He has successfully completed --  
22 or undergoing that probation at this time.

23 Based on the undisputed facts in this matter,  
24 Mr. Mitchem did not bear the burden of showing that he  
25 should not be disciplined and that, therefore, he should

1 be disciplined.

2           The issue then becomes in this situation what  
3 is the appropriate discipline. In these situations --  
4 the art in these situations is balancing the interest of  
5 the people of the state of Missouri and the interest of  
6 the Gaming Commission, along with the attendant statutes  
7 and regulations, and the interest of the licensee, whose  
8 livelihood may very well depend on what is done with  
9 that disciplinary measure.

10           In this situation Mr. Mitchem is an employee  
11 who has had a 16-year career in the gaming industry. He  
12 self-reported this issue when he came back to work. He  
13 pled guilty to the circuit court and successfully paid  
14 back the restitution.

15           And, in fact, having considered all of the  
16 evidence, including the testimony under oath by  
17 Mr. Mitchem, his demeanor, his credibility, the remorse  
18 with which he demonstrated in his testimony, it is my  
19 recommendation that Mr. Mitchem be disciplined and the  
20 appropriate discipline in this situation is that his  
21 license be suspended for a period of 30 calendar days.

22           CHAIRMAN JAMISON: Thank you.

23           Any questions from the commissioners of  
24 Mr. Steib?

25           COMMISSIONER NEER: No, sir.

1                   COMMISSIONER FINNEY: The only -- I don't  
2 know if this is a question. It's just a comment. So he  
3 pled guilty.

4                   Do you know if there is an element to that  
5 misdemeanor of intent that needs to be shown; in other  
6 words, that he intended to pass a bad check?

7                   I mean, I wouldn't expect that you would. I  
8 haven't seen that particular charge. I don't know what  
9 the State had to show.

10                  MR. STEIB: Well, he clearly intended to  
11 write a bad check and he clearly did not know at the  
12 time that there were funds to cover that check. He did,  
13 however, rely on the word of his fiancée, which I'm sure  
14 the judge in that particular case lent some weight to  
15 that.

16                  The fact is Mr. Mitchem has been an employee  
17 for 16 years, has never had any other problems and has  
18 been forthright in admitting that he did something  
19 wrong.

20                  As I say, the issue here is what's the proper  
21 balance in the interests involved, and given this  
22 employee, it is my opinion that the appropriate  
23 discipline is that he be disciplined for -- his license  
24 be suspended for 30 days.

25                  COMMISSIONER FINNEY: So as a practical

1 matter for this, if you know the answer, then what does  
2 that mean? You say a 30-day suspension of his license.  
3 Obviously he can't work for those 30 days, but then when  
4 would he be able to get back to work?

5 MR. STEIB: Well, I would defer to the staff  
6 on that issue.

7 MS. KERR: At the end of 30 days he's  
8 eligible to work. When he takes that 30 days, it's up  
9 to the casino to determine what those 30 days are.

10 CHAIRMAN JAMISON: It isn't necessarily that  
11 we're suspending him for 30 days from -- like from  
12 January 1st to January 31st. We're not saying that.  
13 We're saying he's suspended for 30 days and can't work  
14 as a licensee for 30 days. The suspension doesn't set a  
15 timeframe that those 30 days are suspended.

16 MS. KERR: Correct.

17 CHAIRMAN JAMISON: So it could be worked off  
18 in multiple time periods, if that makes sense to you.

19 COMMISSIONER FINNEY: So in other words he  
20 could do five days here or five days there, that type of  
21 thing? Is my understanding correct?

22 MS. KERR: I think that's what happens.  
23 There is nothing that says they can't do it that way.

24 COMMISSIONER FINNEY: I guess my concern is  
25 the guy is -- I understand he committed a crime, passing

1 a bad check, but I don't know how this discipline really  
2 helps anything, if you know my point. Anyway, that's  
3 just my thoughts on it.

4 COMMISSIONER NEER: Are they allowed to use  
5 leave days as a day of suspension?

6 MS. KERR: I'll let Ed Grewach address that.

7 MR. GREWACH: The process is that we receive  
8 affirmation from his employer that he served the 30-day  
9 suspension. We don't dictate necessarily, as the  
10 Chairman pointed out, specific dates or whether or not  
11 he was scheduled to work on those specific dates.

12 So once the suspension is imposed, then the  
13 next step would be getting that confirmation from his  
14 employer that he has served that time.

15 CHAIRMAN JAMISON: So it would be up to the  
16 employer, I mean, if they wanted to read our suspension  
17 as it's a 30-day consecutive suspension. They can do  
18 that if that's how they chose to do it.

19 MR. GREWACH: Right.

20 CHAIRMAN JAMISON: Is that accurate?

21 MR. GREWACH: That is correct.

22 CHAIRMAN JAMISON: Did you have any other  
23 question, Tom?

24 COMMISSIONER NEER: No.

25 In theory it could be two days a month that

1 could be dragged out for 15 months?

2 MS. KERR: Right.

3 COMMISSIONER NEER: But it's still 30 days  
4 without pay?

5 MS. KERR: Correct.

6 CHAIRMAN JAMISON: Dan, were you --

7 COMMISSIONER FINNEY: I don't have any  
8 questions right now.

9 Is Mr. Mitchem here today?

10 MR. MITCHEM: I'm here.

11 CHAIRMAN JAMISON: Would you like to address  
12 the Commission?

13 MR. MITCHEM: Sure.

14 CHAIRMAN JAMISON: If you'd just step up to  
15 that microphone there and state your name for the record  
16 for us, please.

17 MR. MITCHEM: This one right here?

18 CHAIRMAN JAMISON: Yes.

19 MR. MITCHEM: Can you hear me?

20 My name is Spain Q. Mitchem. I'm a security  
21 guard at the Isle of Capri Casino. I'd just like to  
22 thank the Commission for taking into consideration of  
23 the charge that was against me.

24 I've been working my job for 17 years. So I  
25 know that situation with a bad check, I thought that was

1 going to get rectified and it didn't. So as soon as I  
2 found about it, I immediately paid it off within a month  
3 to take care of any financial regards to the situation.

4 So that's all I got to say, but I thank you  
5 all for taking the time.

6 COMMISSIONER FINNEY: Mr. Mitchem, I have one  
7 question.

8 Do you have any other crimes in your record?  
9 Have you pled guilty to anything else?

10 MR. MITCHEM: No. I don't have tickets.  
11 This is my first time going to court ever since I was  
12 maybe 19 or so.

13 COMMISSIONER FINNEY: Thank you.

14 CHAIRMAN JAMISON: Any other questions?

15 Going back to Dan's question a little bit.

16 The issue that kind of comes up with this is  
17 that this event -- or this offense would make him  
18 ineligible to hold a license or to apply for a license,  
19 and so that's where the discipline question comes in is  
20 the fact that it is a disqualifying event as a licensee.  
21 Is that correct?

22 MS. KERR: Right.

23 Regulation 11 CSR 45-4.260, Section 4, states  
24 that the Commission can refuse an occupational license  
25 or it can discipline an existing licensee if they pled

1 guilty to this type of crime.

2 COMMISSIONER FINNEY: As a practical matter  
3 this would mean that he would not receive 30 days worth  
4 of pay. Is that correct?

5 MS. KERR: That's my understanding.

6 COMMISSIONER FINNEY: Okay.

7 COMMISSIONER LOMBARDO: Carolyn, is there  
8 some differentiation between a felony and a misdemeanor  
9 in terms of what somebody's eligibility is to hold a  
10 license or work in a casino?

11 MS. KERR: Yes. A felony they're ineligible  
12 period to hold a license, and a misdemeanor it's -- they  
13 can be.

14 COMMISSIONER LOMBARDO: It's at the  
15 discretion of the hearing officer and ultimately the  
16 Commission?

17 MS. KERR: Yes.

18 COMMISSIONER LOMBARDO: Okay.

19 CHAIRMAN JAMISON: Thank you, Mr. Mitchem.

20 MR. MITCHEM: Thank you.

21 CHAIRMAN JAMISON: Is Mr. Mitchem's employer  
22 here or would anyone from his employment like to make a  
23 statement?

24 If you'd do the same for me, please. State  
25 your name, please.

1                   MR. DAVIS: Thank you, Commissioners. Good  
2 morning.

3                   Troy Davis, Security Manager at Isle of Capri  
4 Casino in Kansas City.

5                   I've been a licensed holder with the Gaming  
6 Commission for 25 years, and I've been 22 years at the  
7 Isle of Capri. Spain has worked for me in my department  
8 for seven -- I've worked with him for seven years, but  
9 I've been at the property the whole time with him.

10                  I can tell you that he is absolutely an  
11 exemplary employee. My staff and myself, if we could  
12 replicate him, we wouldn't have jobs. I've never had an  
13 issue, never had a customer complaint. We were  
14 completely shocked that anything like this had happened.

15                  He is absolutely -- you always have team  
16 members that are everything but. It's like, uhh,  
17 everything but. This guy is -- Mr. Mitchem, there is no  
18 but about him. He is absolutely reliable. He is  
19 absolutely the type of person that the State of  
20 Missouri, the citizens of Missouri and the Gaming  
21 Commission want holding a Missouri Gaming Commission  
22 license and working at one of our casinos.

23                  He is excellent, and definitely appreciate  
24 the consideration of the Commission in keeping this man  
25 employed with the Gaming Commission at a casino in

1 Kansas City.

2 CHAIRMAN JAMISON: Any questions?

3 Thank you.

4 MR. DAVIS: Thank you.

5 CHAIRMAN JAMISON: Any other discussion or  
6 questions?

7 COMMISSIONER NEER: No.

8 CHAIRMAN JAMISON: The Chair would entertain  
9 a motion on Resolution 18-058 either in its present form  
10 or in an amended form or whatever a commissioner would  
11 entertain.

12 COMMISSIONER NEER: Motion to approve.

13 CHAIRMAN JAMISON: Well, without a second, is  
14 there a motion for an amendment or is there --

15 COMMISSIONER LOMBARDO: I would move for an  
16 amendment.

17 CHAIRMAN JAMISON: Okay.

18 COMMISSIONER LOMBARDO: I would move that we  
19 amend the discipline to 14 days.

20 CHAIRMAN JAMISON: Okay.

21 COMMISSIONER BOULWARE: Second.

22 CHAIRMAN JAMISON: It's been first and  
23 seconded.

24 Any discussion?

25 COMMISSIONER FINNEY: The only comment, I do

1 not think disciplining Mr. Mitchem in this case by  
2 denying him the opportunity to work, given the lack of  
3 any other crimes on his record, given the comments by  
4 his employer, so I don't anticipate approving any  
5 discipline like that.

6 CHAIRMAN JAMISON: Okay. Any discussion?  
7 Angie.

8 MS. FRANKS: Commissioner Boulware.

9 COMMISSIONER BOULWARE: Approved.

10 MS. FRANKS: Commissioner Finney.

11 COMMISSIONER FINNEY: No.

12 MS. FRANKS: Commissioner Lombardo.

13 COMMISSIONER LOMBARDO: Approved.

14 MS. FRANKS: Commissioner Neer.

15 COMMISSIONER NEER: Am I approving 14 days?

16 CHAIRMAN JAMISON: Yes.

17 COMMISSIONER NEER: Approved.

18 MS. FRANKS: Chairman Jamison.

19 CHAIRMAN JAMISON: Approved.

20 MS. FRANKS: By your vote you've adopted  
21 Resolution No. 18-058 as amended to a 14-day suspension.

22 MR. STEIB: The next item on the agenda is  
23 that of Linda Boone, DC-18-063.

24 Ms. Boone was an applicant for a license, and  
25 on February 7th, 2018 completed an occupational license

1 application on which she failed to disclose that she had  
2 pled guilty to a felony arrest of receiving stolen  
3 property in 1992 in Jackson County and also found guilty  
4 and convicted of possession of a controlled substance in  
5 Jackson County in 2001.

6 Ms. Boone was advised of the place and time  
7 for a hearing. At the time of the hearing counsel for  
8 the Commission established the record, introduced  
9 several exhibits. Ms. Boone, although notified of the  
10 time and place and although called three times, failed  
11 to appear.

12 Based on that Ms. Boone did not bear the  
13 burden of showing that she should not be disciplined  
14 and, therefore, should be disciplined, and hence it is  
15 the recommendation and my recommendation that Ms. Boone  
16 be denied an application with the Commission.

17 CHAIRMAN JAMISON: Okay.

18 And I'm going --

19 MR. STEIB: Excuse me. Denied a license with  
20 the Commission.

21 CHAIRMAN JAMISON: Right.

22 And I'm assuming since she didn't show up at  
23 the hearing, probably not here today, but I am going to  
24 ask if Ms. Boone is here at the hearing -- or at the  
25 meeting.

1           Seeing no response, the Chair would entertain  
2 a motion on Resolution 18-059.

3           COMMISSIONER FINNEY: Move to approve.

4           COMMISSIONER LOMBARDO: Second.

5           CHAIRMAN JAMISON: It's first and seconded.  
6 Angie.

7           MS. FRANKS: Commissioner Boulware.

8           COMMISSIONER BOULWARE: Approved.

9           MS. FRANKS: Commissioner Finney.

10          COMMISSIONER FINNEY: Approved.

11          MS. FRANKS: Commissioner Lombardo.

12          COMMISSIONER LOMBARDO: Approved.

13          MS. FRANKS: Commissioner Neer.

14          COMMISSIONER NEER: Approved.

15          MS. FRANKS: Chairman Jamison.

16          CHAIRMAN JAMISON: Approved.

17          MS. FRANKS: By your vote you've adopted  
18 Resolution No. 18-059.

19          CHAIRMAN JAMISON: Thank you.

20          MR. STEIB: Thank you.

21          CHAIRMAN JAMISON: Before we go to the  
22 consideration of disciplinary actions, I just wanted to  
23 take an opportunity to recognize the Director of the  
24 Department of Public Safety, Sandy Karsten, who is with  
25 us today. We're glad to have the support of DPS. We're

1 a DPS agency, and while we work a little differently  
2 than some of her agencies, we're glad to be part of DPS,  
3 and give you an opportunity to make a statement if you'd  
4 like.

5 MS. KARSTEN: Thank you, Mr. Chairman.

6 Again, I am Sandy Karsten, Director of the  
7 Department of Public Safety. I do want to say thank you  
8 for your service on this Commission and welcome and  
9 congratulations to Commissioner Boulware on your  
10 appointment.

11 We are in a unique situation; however, we  
12 stand ready as the Department of Public Safety to assist  
13 the Executive Director, as well as the Gaming  
14 Commission, in any way that you need.

15 So I'm happy to be here and thank you for the  
16 opportunity to speak.

17 CHAIRMAN JAMISON: Thank you. Thanks for  
18 being here.

19 Ed, you're up now.

20 MR. GREWACH: Yes.

21 Thank you, Mr. Chairman, Commissioners,  
22 Mr. Seibert.

23 Under Tab F we have a Preliminary Order of  
24 Discipline directed to BMM North America, Incorporated.

25 BMM is an independent testing laboratory that

1 tests supplier's electronic gaming devices for  
2 compliance with all applicable rules and statutes.

3 For both of our ITLs, Independent Testing  
4 Laboratories, we perform audits every two years for  
5 their compliance with the rules that apply to them.

6 This Preliminary Order of Discipline is for  
7 two findings that were found in the 2016 audit. They  
8 were also identified in a 2018 audit.

9 The first of those two was a violation of  
10 4.230(4)(I)2., which requires BMM to have data redundancy  
11 that permits the complete and prompt recovery of all  
12 information and documents and which utilizes  
13 environmental controls such as fire and waterproofing.

14 In 2016 the finding involved a safe whose  
15 door was not secured and a sprinkler system that created  
16 a risk of water damage to documents and storage media.

17 In the 2018 audit they had made some  
18 improvements in their data retention and redundancy  
19 protection process but still not completely implemented  
20 those.

21 The second finding was a violation of  
22 4.230(4)(V), which requires each test script used to have  
23 the unique version number. Again that was a finding in  
24 both the 2016 and 2018 audit.

25 They have subsequently corrected both of

1 those issues, and the recommended fine is \$2,500.

2 CHAIRMAN JAMISON: Any questions from any  
3 commissioner?

4 I'd entertain a motion for DC-18-105.

5 COMMISSIONER FINNEY: Move to approve.

6 COMMISSIONER LOMBARDO: Second.

7 CHAIRMAN JAMISON: It's been first and  
8 seconded.

9 Angie.

10 MS. FRANKS: Commissioner Boulware.

11 COMMISSIONER BOULWARE: Approved.

12 MS. FRANKS: Commissioner Finney.

13 COMMISSIONER FINNEY: Approved.

14 MS. FRANKS: Commissioner Lombardo.

15 COMMISSIONER LOMBARDO: Approved.

16 MS. FRANKS: Commissioner Neer.

17 COMMISSIONER NEER: Approved.

18 MS. FRANKS: Chairman Jamison.

19 CHAIRMAN JAMISON: Approved.

20 MS. FRANKS: By your vote you've adopted  
21 DC-18-105.

22 CHAIRMAN JAMISON: Ed.

23 MR. GREWACH: Under Tab G we have a  
24 Preliminary Order of Discipline directed to Ameristar  
25 Casino-Kansas City for a violation of Minimum Internal

1 Control Standards Chapter I, 2.03, which provides that once  
2 records are placed in a locked accounting box they shall  
3 not be accessible to any person other than authorized  
4 and designated accounting employees.

5 We were notified on June 11th, 2018 by  
6 surveillance that a slot specialist had removed a  
7 document out of the locked accounting box using a ruler.

8 The process in this particular document, for  
9 example, if an electronic gaming device has a taxable  
10 jackpot, it locks up and requires a hand pay to be done.  
11 Then the slot specialist here would fill out a jackpot  
12 slip and would call over a verifier, who would count the  
13 funds to verify they were the correct amount. Then both  
14 the verifier and the slot specialist would sign that  
15 document and the original would be placed in the locked  
16 accounting box.

17 What our investigation found is that there  
18 was a ruler with double-sided tape next to the box, and  
19 it was a common use by employees to take documents out  
20 of the box. As in this particular case, the slot  
21 specialist forgot to sign. The verifier signed but she  
22 did not sign the document.

23 And the motivation for the employees doing  
24 this was that they were written up by accounting for any  
25 failure such as this to sign the accounting slip. So

1 they were doing it for the purpose that if they forgot  
2 to fill it out correctly or forgot to sign it, that they  
3 could take it out, in this case sign it and then place  
4 it back into the box.

5 Our investigation further, when we  
6 interviewed the lead casino supervisor and other  
7 employees, they were aware that this was a common  
8 practice for some time. They also indicated they were  
9 not aware that it was a violation of the applicable  
10 rule. The recommended fine is \$2,500.

11 CHAIRMAN JAMISON: It seems like it would be  
12 a defeat of a locked box.

13 COMMISSIONER LOMBARDO: Ed, do you have the  
14 ruler with double-sided tape to enter into evidence?

15 MR. GREWACH: We actually did take it as a  
16 potential exhibit if there is a hearing. Yes, we have  
17 that.

18 COMMISSIONER LOMBARDO: Okay.

19 COMMISSIONER NEER: Ingenious to say the  
20 least.

21 CHAIRMAN JAMISON: Any other questions?

22 MR. GREWACH: Very high tech.

23 CHAIRMAN JAMISON: The Chair would entertain  
24 a motion on DC-18-106.

25 COMMISSIONER LOMBARDO: Motion to approve.

1 COMMISSIONER FINNEY: Second.

2 CHAIRMAN JAMISON: First and seconded.

3 Angie.

4 MS. FRANKS: Commissioner Boulware.

5 COMMISSIONER BOULWARE: Approved.

6 MS. FRANKS: Commissioner Finney.

7 COMMISSIONER FINNEY: Approved.

8 MS. FRANKS: Commissioner Lombardo.

9 COMMISSIONER LOMBARDO: Approved.

10 MS. FRANKS: Commissioner Neer.

11 COMMISSIONER NEER: Approved.

12 MS. FRANKS: Chairman Jamison.

13 CHAIRMAN JAMISON: Approved.

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

15 DC-18-106.

16 CHAIRMAN JAMISON: Ed.

17 MR. GREWACH: Tab H we have a Preliminary

18 Order of Discipline directed to the Hollywood Casino for

19 a violation of Rule 5.181 relating to a three-time comp

20 promotion for the month of June 2018.

21 The rule requires the casino to establish

22 dated and written rules for each promotion and to award

23 points or prizes according to those rules.

24 We were notified on June 28, 2018 by the

25 casino that a patron had complained of not receiving the

1 proper amount of multiplied comp points for the month of  
2 June.

3           The investigation revealed that approximately  
4 11,000 patrons did not receive the three-time multiplier  
5 for their comp points in the month of June. That was  
6 subsequently added to each player's account by the  
7 casino once it was brought to our attention.

8           And the recommendation initially by staff was  
9 a \$2,500 fine. In response to that recommendation the  
10 casino did not contest either the violation, nor the  
11 amount of the fine.

12           They wanted to point out that the problem  
13 originated with the casino software vendor. They wanted  
14 to point out that they added points to the patrons'  
15 account and from their investigation indicated that no  
16 patron was shorted in terms of receiving any  
17 complimentary items or promotional drawings during this  
18 time period where the adjustment was made.

19           They also pointed out that they've taken  
20 remedial measures to do spot-checks of points to catch  
21 in the future if the software the vendor provided is not  
22 working properly.

23           In light of that the staff's position was to  
24 continue with the recommendation of the \$2,500 fine.

25           CHAIRMAN JAMISON: Any questions?



1 list, that person is not allowed indefinitely --  
2 prohibited indefinitely from entering onto any of our  
3 casino floors.

4 The rule itself sets forth the standards that  
5 would qualify someone to be placed on a list, primarily  
6 a conviction of a felony or a violation of our own  
7 section, Chapter 313.

8 Ms. Rathmann worked for the research center  
9 that was operated by the University of Missouri College  
10 of Agriculture. She embezzled an amount in excess of  
11 \$750,000 by making personal purchases on the University  
12 credit card and by setting up three shell companies and  
13 creating and paying fake invoices from those companies  
14 from the University account.

15 Her statements to the authorities when  
16 questioned about this was that the money was used in  
17 part for gambling purposes.

18 Ms. Rathmann pled guilty on June 6, 2016 to  
19 one count of mail fraud, one count to access device  
20 fraud, and she was sentenced to four years in prison,  
21 followed by a two-year term of supervised probation and  
22 to make restitution in the amount of approximately  
23 \$780,000.

24 CHAIRMAN JAMISON: Any questions?

25 I'd entertain a motion for Resolution

1 No. 18-061.

2 COMMISSIONER LOMBARDO: Motion to approve.

3 COMMISSIONER FINNEY: Second.

4 CHAIRMAN JAMISON: It's been first and  
5 seconded.

6 Angie.

7 MS. FRANKS: Commissioner Boulware.

8 COMMISSIONER BOULWARE: Approved.

9 MS. FRANKS: Commissioner Finney.

10 COMMISSIONER FINNEY: Approved.

11 MS. FRANKS: Commissioner Lombardo.

12 COMMISSIONER LOMBARDO: Approved.

13 MS. FRANKS: Commissioner Neer.

14 COMMISSIONER NEER: Approved.

15 MS. FRANKS: Chairman Jamison.

16 CHAIRMAN JAMISON: Approved.

17 MS. FRANKS: By your vote you've adopted  
18 Resolution No. 18-061.

19 CHAIRMAN JAMISON: Ed.

20 MR. GREWACH: Under Tab J we have a  
21 resolution to place Stacey Wilson on the involuntary  
22 exclusion list.

23 From 2013 through 2015 Mr. Wilson conducted  
24 an elaborate check-kiting scheme, and in the process of  
25 doing so fraudulently obtained in excess of \$79,000. He

1 used that money for gambling. He pled guilty on  
2 March 16th, 2016 to one count of wire fraud, one count  
3 of use of unauthorized access devices and two counts of  
4 aggravated identity theft, all felonies. He was then  
5 sentenced to 81 months in prison, followed by a three  
6 year term of probation, and the probation had a specific  
7 condition that he participate in a gambling addiction  
8 treatment program and that he was prohibited from  
9 engaging in any form of gambling.

10 In a separate State case he also pled guilty  
11 to the Class B misdemeanor of presenting a false  
12 identification to gain entry into a gambling boat.

13 The background of this was that he had to  
14 have been banned from and evicted from Lumiere Place  
15 Casino and to use the fake ID to gain entry and to  
16 gamble at that location. On his plea of guilty to that  
17 charge he was sentenced to six months in jail, to run  
18 concurrent with the Federal sentences.

19 CHAIRMAN JAMISON: Any questions?

20 I'd entertain a motion for Resolution  
21 No. 18-062.

22 COMMISSIONER FINNEY: Move to approve.

23 COMMISSIONER NEER: Second.

24 CHAIRMAN JAMISON: It's been first and  
25 seconded.

1 Angie.

2 MS. FRANKS: Commissioner Boulware.

3 COMMISSIONER BOULWARE: Approved.

4 MS. FRANKS: Commissioner Finney.

5 COMMISSIONER FINNEY: Approved.

6 MS. FRANKS: Commissioner Lombardo.

7 COMMISSIONER LOMBARDO: Approved.

8 MS. FRANKS: Commissioner Neer.

9 COMMISSIONER NEER: Approved.

10 MS. FRANKS: Chairman Jamison.

11 CHAIRMAN JAMISON: Approved.

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

13 Resolution No. 18-062.

14 MR. GREWACH: Under Tab K we have a

15 resolution to place Pamela Tabatt on the involuntary

16 exclusion list.

17 Only March the 15th, 2016 Ms. Tabatt pled

18 guilty in Federal Court to one count of conspiracy to

19 distribute controlled substances, four counts of money

20 laundering.

21 The case arises out of her sale of synthetic

22 cannabinoids, a synthetic drug, which replicates the

23 high that people get from marijuana, sold these from

24 two retail storefronts that she had. The investigation

25 involved 15 State and Federal agencies. Her business

1 was believed to be the largest synthetic drug operation  
2 in the state of Missouri.

3 She also had a very extensive gambling  
4 history during the time that this activity was  
5 occurring.

6 She received a sentence of twelve years and  
7 six months in prison, followed by three years of  
8 supervised probation. As part of that probation she was  
9 ordered to participate in a gambling addiction treatment  
10 program and was prohibited from engaging in any form of  
11 gambling.

12 CHAIRMAN JAMISON: Any questions?

13 COMMISSIONER NEER: Yeah, I have one  
14 question, Ed.

15 In the description on this case it indicates  
16 how much Pamela -- Ms. Tabatt -- I'm very familiar with  
17 this case. I don't know what she did with the rest of  
18 the 6 million she netted from the sale of these drugs.  
19 However, how do they determine at the casinos how much  
20 the individual is betting? I know how you get the  
21 results for the winnings, but how is it determined how  
22 much the individual bets?

23 MR. GREWACH: If the individual is using a  
24 player club card, then they can run the player tracking  
25 system.

1                   And most patrons use that because by using  
2 your card then you earn points toward complimentaries,  
3 drawings, other player rewards. So if you use your  
4 player reward card and insert it into the machine or  
5 present it to the table where you're playing, then the  
6 casino then keeps track of those amounts.

7                   And in answer to your other question about  
8 the money, there was a forfeiture of several million  
9 dollars worth of both cash and probably seven or eight  
10 parcels of real estate that the Federal government also  
11 did in conjunction with this criminal case.

12                   COMMISSIONER NEER: But they didn't get her  
13 bait and tackle shop in St. Charles.

14                   MR. GREWACH: No. I think the money  
15 laundering was because she sold a lot of worms for that  
16 \$6 million.

17                   COMMISSIONER NEER: And minnows.

18                   CHAIRMAN JAMISON: Any other questions?

19                   COMMISSIONER BOULWARE: I have one question  
20 for you.

21                   CHAIRMAN JAMISON: Sure.

22                   COMMISSIONER BOULWARE: The draft resolution  
23 of term total coin in, and I understand that to mean how  
24 much is bet at this particular casino during that  
25 period?

1 MR. GREWACH: That's correct, yes.

2 CHAIRMAN JAMISON: Any other questions?

3 COMMISSIONER BOULWARE: No.

4 CHAIRMAN JAMISON: The Chair would entertain  
5 a motion on Resolution 18-063.

6 COMMISSIONER NEER: Motion to approve.

7 COMMISSIONER BOULWARE: Second.

8 CHAIRMAN JAMISON: It's been first and  
9 seconded.

10 Angie.

11 MS. FRANKS: Commissioner Boulware.

12 COMMISSIONER BOULWARE: Approved.

13 MS. FRANKS: Commissioner Finney.

14 COMMISSIONER FINNEY: Approved.

15 MS. FRANKS: Commissioner Lombardo.

16 COMMISSIONER LOMBARDO: Approved.

17 MS. FRANKS: Commissioner Neer.

18 COMMISSIONER NEER: Approved.

19 MS. FRANKS: Chairman Jamison.

20 CHAIRMAN JAMISON: Approved.

21 MS. FRANKS: By your vote you've adopted  
22 Resolution No. 18-063.

23 MR. GREWACH: Thank you.

24 CHAIRMAN JAMISON: Thank you, Ed.

25 Bill.

1 EXECUTIVE DIRECTOR SEIBERT: The next order  
2 of business, Mr. Chairman, is Consideration of  
3 Relicensure of Certain Suppliers. Corporal John Masters  
4 will present.

5 CORPORAL MASTERS: Good morning, Chairman,  
6 Commissioners.

7 CHAIRMAN/COMMISSIONERS: Good morning.

8 CORPORAL MASTERS: Missouri State Highway  
9 Patrol investigators, along with MGC financial  
10 investigators, conducted the relicensing investigation  
11 of three supplier companies currently licensed in  
12 Missouri.

13 These investigations consisted of  
14 jurisdictional inquiries, feedback from affected gaming  
15 clients, a review of disciplinary actions, litigation  
16 and business credit profiles, as well as a review of key  
17 persons associated with each company.

18 The results of these investigations were  
19 provided to the MGC staff for their review and you have  
20 the comprehensive summary reports before you.

21 The following supplier companies are being  
22 presented for your consideration: Gaming Laboratory  
23 International, LLC, Lightning Slot Machines, LLC and  
24 House Advantage, LLC.

25 Thank you.

1                   CHAIRMAN JAMISON: Any questions on any of  
2 these three companies?

3                   COMMISSIONER NEER: No, sir.

4                   CHAIRMAN JAMISON: Recommendations?

5                   EXECUTIVE DIRECTOR SEIBERT: Approval.

6                   CHAIRMAN JAMISON: Okay. We'll do these one  
7 at a time.

8                   I'd entertain a motion on Resolution 18-064.

9                   COMMISSIONER FINNEY: Move to approve.

10                  COMMISSIONER BOULWARE: Second.

11                  CHAIRMAN JAMISON: First and seconded.  
12 Angie.

13                  MS. FRANKS: Commissioner Boulware.

14                  COMMISSIONER BOULWARE: Approved.

15                  MS. FRANKS: Commissioner Finney.

16                  COMMISSIONER FINNEY: Approved.

17                  MS. FRANKS: Commissioner Lombardo.

18                  COMMISSIONER LOMBARDO: Approved.

19                  MS. FRANKS: Commissioner Neer.

20                  COMMISSIONER NEER: Approved.

21                  MS. FRANKS: Chairman Jamison.

22                  CHAIRMAN JAMISON: Approved.

23                  MS. FRANKS: By your vote you've adopted  
24 Resolution No. 18-064.

25                  CHAIRMAN JAMISON: I'd entertain a motion on

1 Resolution 18-065.

2 COMMISSIONER FINNEY: Move to approve.

3 COMMISSIONER NEER: Second.

4 CHAIRMAN JAMISON: It's been first and  
5 seconded.

6 Angie.

7 MS. FRANKS: Commissioner Boulware.

8 COMMISSIONER BOULWARE: Approved.

9 MS. FRANKS: Commissioner Finney.

10 COMMISSIONER FINNEY: Approved.

11 MS. FRANKS: Commissioner Lombardo.

12 COMMISSIONER LOMBARDO: Approved.

13 MS. FRANKS: Commissioner Neer.

14 COMMISSIONER NEER: Approved.

15 MS. FRANKS: Chairman Jamison.

16 CHAIRMAN JAMISON: Approved.

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

18 Resolution No. 18-065.

19 CHAIRMAN JAMISON: And entertain a motion on

20 Resolution 18-066.

21 COMMISSIONER FINNEY: Move to approve.

22 COMMISSIONER LOMBARDO: Second.

23 CHAIRMAN JAMISON: First and seconded.

24 Angie.

25 MS. FRANKS: Commissioner Boulware.

1 COMMISSIONER BOULWARE: Approved.

2 MS. FRANKS: Commissioner Finney.

3 COMMISSIONER FINNEY: Approved.

4 MS. FRANKS: Commissioner Lombardo.

5 COMMISSIONER LOMBARDO: Approved.

6 MS. FRANKS: Commissioner Neer.

7 COMMISSIONER NEER: Approved.

8 MS. FRANKS: Chairman Jamison.

9 CHAIRMAN JAMISON: Approved.

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

11 Resolution No. 18-066.

12 CHAIRMAN JAMISON: The next item.

13 EXECUTIVE DIRECTOR SEIBERT: The next order

14 of business is Consideration of Licensure for Level I

15 and Key Applicants. Sergeant Jason McTheeney will

16 present.

17 SERGEANT MCTHEENEY: Good morning.

18 CHAIRMAN/COMMISSIONERS: Good morning.

19 SERGEANT MCTHEENEY: Mr. Chairman and

20 Commissioners, the Missouri State Highway Patrol

21 investigators, along with the Missouri Gaming Commission

22 financial investigators, conducted comprehensive

23 background investigations on multiple key applicants.

24 The investigations included, but were not

25 limited to, criminal, financial and general character

1 inquiries which were made in the jurisdictions where the  
2 applicants lived, worked and frequented.

3 The following applicants are being presented  
4 for your consideration: Matthew James Ferko, Caesars  
5 Entertainment Corporation, as a Director; Richard Paul  
6 Schifter, Caesars Entertainment Corporation, Independent  
7 Director; Kimito Kubo, Konami Holdings Corporation,  
8 Outside Director; and Joshirhiro Matsuura, Konami  
9 Holdings Corporation, Director.

10 The results of these investigations were  
11 provided to the Missouri Gaming Commission staff for  
12 their review and you have all related summary reports  
13 before you.

14 Thank you.

15 CHAIRMAN JAMISON: Thank you.

16 Recommendation.

17 EXECUTIVE DIRECTOR SEIBERT: Approval.

18 CHAIRMAN JAMISON: Are there any questions on  
19 any of the individuals or would there be a motion to  
20 approve Resolution 18-067 as an entire slate?

21 COMMISSIONER LOMBARDO: Motion to approve.

22 COMMISSIONER FINNEY: Second.

23 CHAIRMAN JAMISON: It's been first and  
24 seconded.

25 Angie.

1 MS. FRANKS: Commissioner Boulware.

2 COMMISSIONER BOULWARE: Approved.

3 MS. FRANKS: Commissioner Finney.

4 COMMISSIONER FINNEY: Approved.

5 MS. FRANKS: Commissioner Lombardo.

6 COMMISSIONER LOMBARDO: Approved.

7 MS. FRANKS: Commissioner Neer.

8 COMMISSIONER NEER: Approved.

9 MS. FRANKS: Chairman Jamison.

10 CHAIRMAN JAMISON: Approved.

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

12 Resolution No. 18-067.

13 CHAIRMAN JAMISON: Bill.

14 EXECUTIVE DIRECTOR SEIBERT: The next order

15 of business is Consideration of Relicensure of Bingo

16 Manufacturers and Suppliers.

17 Corporal Keith Howery will present.

18 CORPORAL HOWERY: Good morning.

19 CHAIRMAN/COMMISSIONERS: Good morning.

20 CORPORAL HOWERY: Mr. Chairman and

21 Commissioners, today I'm presenting several companies

22 for relicensure as a supplier or manufacturer of bingo

23 products in the state of Missouri.

24 All bingo supplier and manufacturer licenses

25 are issued for the calendar year and expire on

1 December 31st of each year.

2           The relicensure of both manufacturers and  
3 suppliers includes, but is not limited to, a review of  
4 Federal and State tax checks, customer and product  
5 lists, corporate organization, gaming license checks, as  
6 well as various criminal checks on each company's key  
7 persons.

8           The following company has applied for  
9 relicensure of their supplier's license: All American  
10 Bingo, Incorporated.

11           The following four companies have applied for  
12 relicensure of their manufacturer's license: Arrow  
13 International, Incorporated, Furtunet, Incorporated,  
14 Pollard Games, Incorporated, doing business as American  
15 Games and VKGS, LLC.

16           Thank you.

17           CHAIRMAN JAMISON: Any questions from the  
18 commissioners?

19           I'd entertain a motion on Resolution  
20 No. 18-003-B.

21           COMMISSIONER BOULWARE: Move to approve.

22           COMMISSIONER LOMBARDO: Second.

23           CHAIRMAN JAMISON: It's been first and  
24 seconded.

25           Angie.

1 MS. FRANKS: Commissioner Boulware.  
2 COMMISSIONER BOULWARE: Approved.  
3 MS. FRANKS: Commissioner Finney.  
4 COMMISSIONER FINNEY: Approved.  
5 MS. FRANKS: Commissioner Lombardo.  
6 COMMISSIONER LOMBARDO: Approved.  
7 MS. FRANKS: Commissioner Neer.  
8 COMMISSIONER NEER: Approved.  
9 MS. FRANKS: Chairman Jamison.  
10 CHAIRMAN JAMISON: Approved.  
11 MS. FRANKS: By your vote you've adopted  
12 Resolution No. 18-003-B.  
13 CHAIRMAN JAMISON: And we have the suppliers.  
14 We didn't do those, did we?  
15 MS. FRANKS: He did them.  
16 CHAIRMAN JAMISON: He mentioned those four  
17 also, the suppliers also?  
18 Okay. I'd entertain a motion on  
19 Resolution 18-004-B.  
20 COMMISSIONER FINNEY: Move to approve.  
21 COMMISSIONER BOULWARE: Second.  
22 CHAIRMAN JAMISON: First and seconded.  
23 Angie.  
24 MS. FRANKS: Commissioner Boulware.  
25 COMMISSIONER BOULWARE: Approved.

1 MS. FRANKS: Commissioner Finney.

2 COMMISSIONER FINNEY: Approved.

3 MS. FRANKS: Commissioner Lombardo.

4 COMMISSIONER LOMBARDO: Approved.

5 MS. FRANKS: Commissioner Neer.

6 COMMISSIONER NEER: Approved.

7 MS. FRANKS: Chairman Jamison.

8 CHAIRMAN JAMISON: Approved.

9 MS. FRANKS: By your vote you've adopted  
10 Resolution No. 18-004-B.

11 CHAIRMAN JAMISON: Ed, I know this isn't on  
12 the agenda, but isn't there a change to the bingo  
13 regulations effective tomorrow?

14 MR. GREWACH: I believe that's the effective  
15 date.

16 And what it did was the original provision of  
17 the Constitution required a member of a fraternal or  
18 charitable organization to be a member for two years  
19 before they could work in a bingo. This cuts that time  
20 period down to six months.

21 CHAIRMAN JAMISON: Okay. Director.

22 EXECUTIVE DIRECTOR SEIBERT: The next order  
23 of business is Consideration of Waiver of Licensure for  
24 Institutional Investor. Ms. Maggie White will present.

25 MS. WHITE: Good morning, Mr. Chairman,

1 Commissioners.

2 CHAIRMAN/COMMISSIONERS: Good morning.

3 MS. WHITE: Behind Tab R is a resolution  
4 regarding waiver of licensure for an institutional  
5 investor holding and/or requesting to hold publicly  
6 traded interest of up to 20 percent in multiple gaming  
7 licensees.

8 This investor has submitted a request for a  
9 waiver to hold interest in multiple Missouri licensees  
10 in compliance with 11 CSR 45-4. The submitted waiver  
11 request certifies the holdings are for institutional  
12 investment purposes only, with no intent to be involved  
13 in the management or operation of the licensees.

14 Because the holdings may exceed the  
15 10 percent threshold for which the Executive Director  
16 may grant a waiver, this resolution is before the  
17 Commission today.

18 Resolution No. 18-068 is for FMR, LLC.

19 CHAIRMAN JAMISON: Okay. Any questions?

20 If not, I would entertain a motion on  
21 Resolution 18-068.

22 Thank you, Maggie.

23 COMMISSIONER FINNEY: Move to approve.

24 COMMISSIONER LOMBARDO: Second.

25 CHAIRMAN JAMISON: It's been first and

1 seconded.

2 Angie.

3 MS. FRANKS: Commissioner Boulware.

4 COMMISSIONER BOULWARE: Approved.

5 MS. FRANKS: Commissioner Finney.

6 COMMISSIONER FINNEY: Approved.

7 MS. FRANKS: Commissioner Lombardo.

8 COMMISSIONER LOMBARDO: Approved.

9 MS. FRANKS: Commissioner Neer.

10 COMMISSIONER NEER: Approved.

11 MS. FRANKS: Chairman Jamison.

12 CHAIRMAN JAMISON: Approved.

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

14 Resolution No. 18-068.

15 EXECUTIVE DIRECTOR SEIBERT: The next order

16 of business is Consideration of Chairman Delegation

17 Resolution. Mr. Ed Grewach will present.

18 MR. GREWACH: Thank you.

19 Our Rule 1.0204 allows the commissioners to

20 delegate to the Chairman the authority to extend any

21 license that is set to expire for up to 60 days.

22 This is useful because events occur sometimes

23 because of the meeting schedule or because some step

24 that needs to be yet completed in an investigation won't

25 occur before the expiration of the license.

1                   If the Chairman does exercise this power,  
2 then that decision has to be ratified at the next  
3 regular meeting by the full Commission.

4                   The rule specifically requires that the  
5 delegation expire in 12 months, so, therefore, every  
6 year in December we present this resolution to authorize  
7 the Chairman to have that power to extend an expiring  
8 license.

9                   CHAIRMAN JAMISON: Any questions, discussion?  
10                   If not, I would entertain a motion on  
11 Resolution 18-069.

12                   COMMISSIONER LOMBARDO: Motion to approve.

13                   COMMISSIONER NEER: Second.

14                   CHAIRMAN JAMISON: It's been first and  
15 seconded.

16                   Angie.

17                   MS. FRANKS: Commissioner Boulware.

18                   COMMISSIONER BOULWARE: Approved.

19                   MS. FRANKS: Commissioner Finney.

20                   COMMISSIONER FINNEY: Approved.

21                   MS. FRANKS: Commissioner Lombardo.

22                   COMMISSIONER LOMBARDO: Approved.

23                   MS. FRANKS: Commissioner Neer.

24                   COMMISSIONER NEER: Approved.

25                   MS. FRANKS: Chairman Jamison.

1                   CHAIRMAN JAMISON: Approved.

2                   MS. FRANKS: By your vote you've adopted  
3 Resolution No. 18-069.

4                   CHAIRMAN JAMISON: And that brings us to the  
5 end of our agenda for our open meeting. The Chair would  
6 entertain a motion for a closed meeting.

7                   I would give it to anybody who wants to do  
8 it, but I'm looking Dan's way. Dan doesn't have to do  
9 it. Somebody needs to do it.

10                  COMMISSIONER LOMBARDO: I thought you had it  
11 tattooed on your arm.

12                  CHAIRMAN JAMISON: Well, I do but it's  
13 covered up right now.

14                  COMMISSIONER NEER: Just to expedite matters  
15 I'll take it today.

16                  CHAIRMAN JAMISON: Okay.

17                  COMMISSIONER NEER: Motion for a closed  
18 meeting under Sections 313.847 and 313.945, Revised  
19 Statutes of Missouri, investigatory, proprietary and  
20 application records, and 610.021, Subsection 1, RSMo,  
21 legal actions, Subsection 3 and Subsection 13,  
22 personnel, and Subsection 14, records protected from  
23 disclosure by law.

24                  CHAIRMAN JAMISON: Is there a second?

25                  COMMISSIONER FINNEY: Second.

1 CHAIRMAN JAMISON: First and seconded.  
2 Angie.  
3 MS. FRANKS: Commissioner Boulware.  
4 COMMISSIONER BOULWARE: Approved.  
5 MS. FRANKS: Commissioner Finney.  
6 COMMISSIONER FINNEY: Approved.  
7 MS. FRANKS: Commissioner Lombardo.  
8 COMMISSIONER LOMBARDO: Approved.  
9 MS. FRANKS: Commissioner Neer.  
10 COMMISSIONER NEER: Approved.  
11 MS. FRANKS: Chairman Jamison.  
12 CHAIRMAN JAMISON: Approved.  
13 We will go into closed session. At the end  
14 of closed session we will come back into open session  
15 and then close the meeting at that time.  
16 Thank you very much.  
17 WHEREIN, the meeting concluded at 11:09 a.m.  
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CERTIFICATE OF REPORTER

I, Patricia A. Stewart, CCR, a Certified Court Reporter in the State of Missouri, do hereby certify that the testimony taken in the foregoing transcript was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this transcript was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

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Patricia A. Stewart  
CCR 401

**MISSOURI GAMING COMMISSION**  
**Second Open Session Minutes**  
**December 5, 2018**

The Missouri Gaming Commission (the “Commission”) went into open session at approximately 11:15 a.m. on December 5, 2018, at the Jefferson City office of the Missouri Gaming Commission.

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

The meeting ended at 1:09 p.m.