

0001

1

2

3

BEFORE THE MISSOURI GAMING COMMISSION

4

5

Meeting

6

February 27, 2019

9:00 a.m.

7

3417 Knipp Drive

Jefferson City, Missouri

8

9

10 BEFORE: Brian Jamison, Chairman

Thomas Neer, Commissioner

11 Richard F. Lombardo, Commissioner

Daniel P. Finney, III, Commissioner

12

Brandon Boulware, Commissioner

13

14

15

16

17

18

19

20

21

22 Reported by:

Patricia A. Stewart, CCR 401

23 Alaris Litigation Services

Jefferson City, Missouri 65109

24 (573) 636-7551

25

0002

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

AGENDA

	page
I. Call to Order	4:3
II. Motion for Closed Meeting Under Section 610.021(3) & (13), RSMo. Personnel and (14) Records Protected from Disclosure by Law	4:21
III. Motion to Open Meeting	5:15
IV. Consideration of Minutes	
A. January 30, 2019	6:5
V. Consideration of Hearing Officer Recommendation	
B. David W. Adams	
1. Resolution No. 19-005	7:9
C. Katrina Roberson	
1. Resolution No. 19-006	20:23
D. Janet Frigerio	
1. Resolution No. 19-007	23:24
VI. Consideration of Disciplinary Actions	
E. BMM North America, Inc.	
1. DC-19-022	30:19
F. HGI-Mark Twain, LLC	
1. DC-19-023	33:23
G. The Missouri Gaming Company, LLC	
1. DC-19-024	36:11
VII. Consideration of Placement on Exclusion List	
H. Carol J. Hazer	
1. Resolution No. 19-008	40:5
I. Samuel D. Hazer	
1. Resolution No. 19-009	40:5
J. Joseph R. Mahfood	
1. Resolution No. 19-010	40:5

0003

	AGENDA (CONT'D)	
		page
1		
2		
3	VIII. Consideration of Rules and Regulations	45:21
	K. Final Orders of Rulemaking	
4	1. 11 CSR 45-4.420 - Occupation License	
	2. 11 CSR 45-7.130 - Nongambling Hours	
5	3. 11 CSR 45-9.102 - Minimum Internal	
	Control Standards (MICS) - Chapter B	
6	4. 11 CSR 45-9.106 - Minimum Internal	
	Control Standards (MICS) - Chapter F	
7	5. 11 CSR 45-9.109 - Minimum Internal	
	Control Standards (MICS) - Chapter I	
8	6. 11 CSR 45-9.116 - Minimum Internal	
	Control Standards (MICS) - Chapter P	
9	7. 11 CSR 45-9.117 - Minimum Internal	
	Control Standards (MICS) - Chapter Q	
10	8. 11 CSR 45-30.020 - Advertising	
	9. 11 CSR 45-40.030 - Commission	
11	Approval of Procedures	
12	IX. Consideration of Ratification of Extension	
	of License	
13	L. SportsHub Games Network, Inc.	
	1. Resolution No. 19-011	47:18
14		
15	X. Consideration of Relicensure of Fantasy	
	Sports Operators	
	M. FanDuel, Inc.	
16	1. Resolution No. 10-012	50:5
	N. DraftKings, Inc.	
17	1. Resolution No. 10-013	50:5
18	XI. Consideration of Relicensure of Certain	
	Suppliers	
19	O. Landry Holdings, LLC d/b/a Casino Tech	
	1. Resolution No. 19-014	52:20
20		
21	XII. Consideration of Licensure of Level I/Key	
	Applicants	
	P. Resolution No. 19-015	54:16
22		
23	XIII. Motion for Closed Meeting under Sections	
	313.847 and 313.945, RSMo., Investigatory,	
24	Proprietary and Application Records and	
	610.021(1), RSMo, Legal Actions, (3) & (13)	
25	Personnel and (14) Records Protected from	
	Disclosure by Law	57:9

0004

1 (Start time: 9:00 a.m.)

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

3 CHAIRMAN JAMISON: Okay. I'd call the
4 February 27th, 2019 Gaming Commission meeting to order.

5 Angie, would you please take the roll.

6 MS. FRANKS: Commissioner Boulware.

7 (No response.)

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 The Chair would now entertain a motion for a
17 closed meeting.

18 COMMISSIONER LOMBARDO: Motion for a closed
19 meeting -- do I need to say all of the staff?

20 Thank you, Brian.

21 Motion for a closed meeting under
22 Section 610.021, Subsection 3 and 13, RSMo, personnel,
23 and Subsection 14, records protected from disclosure by
24 law.

25 COMMISSIONER FINNEY: Second.

0005

1 CHAIRMAN JAMISON: Been first and seconded.

2 Angie, would you call the roll.

3 MS. FRANKS: Commissioner Finney.

4 COMMISSIONER FINNEY: Approve.

5 MS. FRANKS: Commissioner Lombardo.

6 COMMISSIONER LOMBARDO: Approve.

7 MS. FRANKS: Commissioner Neer.

8 COMMISSIONER NEER: Approve.

9 MS. FRANKS: Chairman Jamison.

10 CHAIRMAN JAMISON: Approve.

11 We'll now move into a closed meeting and
12 we'll be back for the open meeting at 10:30 to continue
13 the open meeting at 10:30.

14 (CLOSED MEETING.)

15 CHAIRMAN JAMISON: We're ready to continue
16 our meeting. We've already called this meeting to order
17 at an earlier time and went into a closed meeting, and
18 now we're going to resume the open meeting.

19 Angie, will you call the roll, please.

20 MS. FRANKS: Commissioner Boulware.

21 COMMISSIONER BOULWARE: Present.

22 MS. FRANKS: Commissioner Finney.

23 COMMISSIONER FINNEY: Present.

24 MS. FRANKS: Commissioner Lombardo.

25 COMMISSIONER LOMBARDO: Present.

0006

1 MS. FRANKS: Commissioner Neer.

2 COMMISSIONER NEER: Present.

3 MS. FRANKS: Chairman Jamison.

4 CHAIRMAN JAMISON: Present.

5 The Chair would entertain a motion on the
6 consideration of the minutes of the January 30th
7 meeting.

8 COMMISSIONER NEER: Motion to approve.

9 COMMISSIONER FINNEY: Second.

10 CHAIRMAN JAMISON: It's been first and
11 seconded.

12 Angie.

13 MS. FRANKS: Commissioner Boulware.

14 COMMISSIONER BOULWARE: Aye.

15 MS. FRANKS: Commissioner Finney.

16 COMMISSIONER FINNEY: Approve.

17 MS. FRANKS: Commissioner Lombardo.

18 COMMISSIONER LOMBARDO: Approve.

19 MS. FRANKS: Commissioner Neer.

20 COMMISSIONER NEER: Approve.

21 MS. FRANKS: Chairman Jamison.

22 CHAIRMAN JAMISON: Approve.

23 MS. FRANKS: By your vote you've adopted the
24 minutes of the January 30th, 2019 meeting.

25 CHAIRMAN JAMISON: Okay. Executive Director

0007

1 Seibert.

2 EXECUTIVE DIRECTOR SEIBERT: The first order
3 of business, Mr. Chairman, is Consideration of Hearing
4 Officer Recommendations. Mr. Bryan Wolford will
5 present.

6 MR. WOLFORD: Thank you, Mr. Chairman,
7 Commissioners, Mr. Director.

8 CHAIRMAN JAMISON: Good morning, Mr. Wolford.

9 MR. WOLFORD: For your consideration
10 Resolution 19-005, the matter of David W. Adams.

11 Mr. Adams was employed as a Level II license
12 holder at the Isle of Capri Casino in Boonville,
13 Missouri.

14 During a compliance check a Commission
15 licensing investigator informed the boat officer at Isle
16 of Capri that Mr. Adams had pled guilty to two
17 disqualifying misdemeanors since 2015. These crimes
18 could potentially disqualify him from holding a Level II
19 gaming license.

20 The boat officer investigated and found that
21 Mr. Adams pled guilty on May 12, 2015 to the crime of
22 second-degree tampering with a utility meter, a Class A
23 misdemeanor, and on the 24th of October 2017 to passing
24 a bad check, also a Class A misdemeanor.

25 11 CSR 45-4.260 states that a licensee is

0008

1 unsuitable to hold a Level II license if they have pled
2 guilty to or been convicted guilty of any offense that
3 has theft, fraud or dishonesty as an essential element.
4 This is any offense, a misdemeanor or felony.

5 Both of the offenses that Mr. Adams pled
6 guilty to have as an essential element the intent to
7 defraud; therefore, Mr. Adams is unsuitable to hold a
8 gaming license under the CSR. The hearing officer
9 recommends that revocation be approved as appropriate.
10 I'd be happy to answer any questions.

11 CHAIRMAN JAMISON: Okay. Any questions of
12 Mr. Wolford?

13 COMMISSIONER LOMBARDO: When was Mr. Adams
14 first licensed?

15 MR. WOLFORD: That's a good question. I'll
16 defer to Ms. Kerr.

17 MS. KERR: 2007, April of 2007.

18 COMMISSIONER LOMBARDO: Thank you.

19 CHAIRMAN JAMISON: And he maintained a
20 license that entire time; this was just a review?

21 MR. WOLFORD: This was a compliance check.

22 CHAIRMAN JAMISON: A compliance check.

23 So that would have been a review of his
24 status at that point, the compliance check?

25 MS. KERR: Correct.

0009

1 CHAIRMAN JAMISON: Okay.

2 COMMISSIONER FINNEY: And both of these were
3 discovered at exactly the same time. Is that right?

4 MR. WOLFORD: That's correct.

5 During the course of the compliance review
6 the investigator will rerun the criminal history of the
7 licensee. So anything new that has happened since
8 licensure or the previous compliance check will be
9 revealed at that time.

10 CHAIRMAN JAMISON: Any other questions of
11 Mr. Wolford?

12 Is Mr. Adams here?

13 MR. ADAMS: Yes.

14 CHAIRMAN JAMISON: Would you like to address
15 the Commission?

16 We have a letter that you sent to the
17 Commission and it's been provided to every Commissioner.
18 I just wanted you to know that we are in receipt of
19 that. We'll give you an opportunity to make a statement
20 if you'd like to. If you want to make a statement, just
21 state your name for the record.

22 MR. ADAMS: No. I'm not good at public
23 speaking.

24 CHAIRMAN JAMISON: Let me see if any of the
25 Commissioners have any questions for you.

0010

1 COMMISSIONER NEER: No, sir.

2 CHAIRMAN JAMISON: Rick, you look like you're
3 pondering a question.

4 COMMISSIONER LOMBARDO: I didn't hear whether
5 he said he wanted to give --

6 CHAIRMAN JAMISON: He doesn't want to give
7 one.

8 COMMISSIONER LOMBARDO: All right.
9 I was reading the letter. I'm sorry.

10 CHAIRMAN JAMISON: No. That's fine.
11 Do you want a moment?

12 COMMISSIONER LOMBARDO: Yes.

13 CHAIRMAN JAMISON: I'll ask a question while
14 you're continuing.

15 Do you need for him to state his name before
16 I ask him some questions?

17 Go ahead and state your name for the record
18 for me, please. Step up to the microphone if you would,
19 please.

20 MR. ADAMS: David Wayne Adams.

21 CHAIRMAN JAMISON: Mr. Adams, were you aware
22 that these were things that you needed to report to the
23 Gaming Commission?

24 MR. ADAMS: I didn't believe that it was
25 something that needed to be reported because I pretty

0011

1 much tried to take care of it outside of the courthouse,
2 but I also thought that I -- I've always tried to take
3 everything up to Gaming before.

4 CHAIRMAN JAMISON: So you understood there is
5 a reporting requirement of licensees to report certain
6 things to --

7 MR. ADAMS: Yes.

8 CHAIRMAN JAMISON: You were aware of that?

9 MR. ADAMS: Yes.

10 CHAIRMAN JAMISON: And these would have met
11 that requirement with your understanding?

12 MR. ADAMS: In hindsight, yes.

13 CHAIRMAN JAMISON: And you thought that
14 because -- or I don't want to say you thought.

15 The reason that you didn't report them was
16 because you took care of them outside of a --

17 MR. ADAMS: Yes, sir.

18 CHAIRMAN JAMISON: Reiterate that to me why
19 you thought it wasn't necessary to report it when you
20 knew that these were reportable-type offenses.

21 MR. ADAMS: I went in and took care of
22 everything with the prosecutor before anything went to
23 court. I did not think that that was going to be a
24 problem.

25 CHAIRMAN JAMISON: So you didn't appear in a

0012

1 courtroom on either one of these?

2 MR. ADAMS: Yes, I did.

3 CHAIRMAN JAMISON: Okay. So when you say you
4 took care of them before going to court, you still went
5 to a court after --

6 MR. ADAMS: Yes, I took everything through
7 the prosecutor and then I had to go into court to make
8 it official.

9 CHAIRMAN JAMISON: Okay.

10 Any followup?

11 COMMISSIONER LOMBARDO: On the bad check
12 charge, how did you take care of that?

13 MR. ADAMS: I went ahead and paid restitution
14 and paid the check.

15 COMMISSIONER LOMBARDO: Are you still on
16 probation for anything?

17 MR. ADAMS: No, sir.

18 COMMISSIONER LOMBARDO: Is your employer here
19 today?

20 MS. ELLINGBOE: Yes, sir.

21 CHAIRMAN JAMISON: Do you have a desire to
22 make a statement?

23 MS. ELLINGBOE: Yes, sir.

24 CHAIRMAN JAMISON: Okay.

25 THE COURT REPORTER: And your name.

0013

1 MS. ELLINGBOE: Jamie Ellingboe,
2 E-l-l-i-n-g-b-o-e.

3 David works for me in the maintenance
4 department, and for our property he is one of our main
5 dependable maintenance techs. He is a Tech III, which
6 is the highest level that you can reach, right below the
7 manager. He is very good at his job. He knows more
8 about our property than almost anyone except the manager
9 directly. He's always willing to take on shifts when
10 his fellow employees need vacation or time off and he
11 provides that coverage. I would just like to reiterate
12 that he is very priceless to us and a very dependable
13 worker.

14 COMMISSIONER FINNEY: How long has he been
15 with you?

16 MS. ELLINGBOE: Twelve years almost.

17 CHAIRMAN JAMISON: Any other questions?

18 COMMISSIONER LOMBARDO: I have a question. I
19 don't know whether it's appropriate for counsel or
20 Mr. Wolford, but it has to do with the -- there is
21 always a listing of similar cases, hard to say which are
22 actually similar, but they're all over the board. Some
23 people have gotten revocation for misdemeanors. Some
24 people have gotten nothing. So I would be curious as to
25 how you came to the conclusion that revocation was

0014

1 appropriate on this one.

2 MR. WOLFORD: Sure.

3 And, in fact, revocation is appropriate in
4 this circumstance because the CSR says it is. This is
5 the type of offense that disqualifies a person from
6 holding a license.

7 The plain language of the CSR states that
8 you're unsuitable to hold an occupational license if
9 you've pled guilty to or been found guilty of any
10 offense where an essential element is theft, fraud or
11 dishonesty, and both charges have that as an essential
12 element.

13 COMMISSIONER LOMBARDO: So in your opinion
14 this is not discretionary, that even though it's a
15 misdemeanor or misdemeanors but not a felony but because
16 it involves dishonesty that there is absolutely no
17 discretion?

18 MR. WOLFORD: That's what I found as a
19 hearing officer, yes, that it meets that CSR.

20 COMMISSIONER LOMBARDO: I would like to get
21 counsel's take on that.

22 MS. KERR: Our interpretation is the
23 Commission does have discretion because it is a
24 regulation.

25 CHAIRMAN JAMISON: It's a CSR as opposed to a

0015

1 statute --

2 MS. KERR: Correct.

3 CHAIRMAN JAMISON: -- prohibition?

4 MS. KERR: Correct.

5 COMMISSIONER LOMBARDO: We've been through

6 this many times before and all of these cases are

7 different. And it seems like with felonies we don't

8 have discretion. Is that accurate?

9 MS. KERR: Correct.

10 COMMISSIONER LOMBARDO: But with misdemeanors

11 it is my understanding that we do have some discretion?

12 MS. KERR: Yes.

13 CHAIRMAN JAMISON: Because we created the

14 rule?

15 MS. KERR: Yes.

16 MR. WOLFORD: And I will say in order to

17 clarify my position, I believe that me as the hearing

18 officer, that I don't have the discretion, but certainly

19 this body does have the discretion in this case since

20 it's a misdemeanor.

21 COMMISSIONER LOMBARDO: Thanks for that

22 clarification.

23 COMMISSIONER FINNEY: Mr. Adams, what was the

24 sentencing you received from the court? Did you receive

25 a sentence?

0016

1 MR. ADAMS: No. I paid restitution. I paid
2 the check.

3 COMMISSIONER FINNEY: Were you convicted of
4 anything or was it a suspended imposition of sentence?

5 MR. ADAMS: As far as I know I wasn't
6 convicted.

7 COMMISSIONER FINNEY: How long was your
8 probation?

9 MR. ADAMS: I'm not on probation.

10 COMMISSIONER FINNEY: How long did it last,
11 do you remember?

12 COMMISSIONER LOMBARDO: I don't know that he
13 had probation. He just paid it.

14 COMMISSIONER FINNEY: Oh, I'm sorry.

15 MR. ADAMS: I didn't -- I wasn't on
16 probation.

17 COMMISSIONER FINNEY: Okay. Go ahead, ma'am.

18 MS. ELLINGBOE: I think that in the hearing
19 officer's original -- or in the disciplinary review
20 board's original statement that had some of those facts.
21 I don't remember them in detail but just in case you
22 wanted to check that.

23 COMMISSIONER FINNEY: Okay. Thank you.

24 MS. KERR: If I could just interject.

25 The exhibits offered into evidence at the

0017

1 hearing do include all of the court documents and the
2 bad check misdemeanor he received in -- suspended
3 execution --

4 CHAIRMAN JAMISON: Is that the one in '17?

5 COMMISSIONER FINNEY: The SES. Is that
6 right?

7 CHAIRMAN JAMISON: He got an SES and one-year
8 probation.

9 MS. KERR: Yes.

10 COMMISSIONER FINNEY: What was the sentence
11 that was imposed but suspended, do you remember?

12 MS. KERR: Thirty days.

13 COMMISSIONER FINNEY: Okay.

14 COMMISSIONER BOULWARE: A followup on
15 Commissioner Lombardo's question.

16 These cases are always case specific, but can
17 you give us a range of what the Commission has done in
18 terms of penalty in cases like this when we're dealing
19 with misdemeanors, not felonies?

20 MS. KERR: I think we normally recommend
21 revocation and then the Commission has decided
22 differently, but I --

23 COMMISSIONER BOULWARE: What I'm after is
24 what has the Commission actually done as opposed to what
25 has been recommended?

0018

1 CHAIRMAN JAMISON: I don't know that we would
2 have that documentation of what was recommended, the
3 variation between the recommendation and the decision.
4 It would just be the final decision by the Commission.

5 MS. KERR: We've got the list of prior and it
6 would be contained in there.

7 CHAIRMAN JAMISON: Back to that packet.

8 But, I mean, it's been anywhere from a
9 nonpunitive letter to a suspension for a number of days
10 all of the way to a revocation.

11 COMMISSIONER LOMBARDO: I'll just read them.

12 Nonpunitive letter, revocation, nonpunitive
13 letter, nonpunitive letter, one day, five days, one day,
14 nonpunitive letter, one day, not applicable, two days,
15 nonpunitive letter, nonapplicable, nonpunitive letter,
16 revocation.

17 COMMISSIONER BOULWARE: All over the board.

18 CHAIRMAN JAMISON: And I believe --

19 MS. KERR: Those aren't all of the same types
20 of crimes.

21 COMMISSIONER LOMBARDO: I'm sure they're not.

22 MS. KERR: Right. I think some of them are
23 MPLs, one was a more -- didn't have anything to do with
24 theft or fraud. They had other elements. But, yeah,
25 everything would be in that document.

0019

1 COMMISSIONER LOMBARDO: I agree with you.
2 Theft or fraud would be significant.

3 CHAIRMAN JAMISON: Any other questions?
4 Any other thing you would like to say,
5 Mr. Adams?

6 MR. ADAMS: No, sir.

7 CHAIRMAN JAMISON: Okay. We appreciate you
8 being here, ma'am. We appreciate you being here and
9 speaking on behalf of Mr. Adams.

10 Go ahead and have a seat if you want to.

11 The Chair would entertain a motion on
12 Resolution 19-005.

13 COMMISSIONER NEER: I'd like to approve with
14 a different recommendation on discipline, a 30-day
15 suspension.

16 COMMISSIONER FINNEY: I'd second.

17 CHAIRMAN JAMISON: Okay. So Resolution
18 19-005 has been amended to a 30-day suspension, first
19 and seconded.

20 Is there any discussion?

21 Angie, call the roll.

22 MS. FRANKS: Commissioner Boulware.

23 COMMISSIONER BOULWARE: Approve.

24 MS. FRANKS: Commissioner Finney.

25 COMMISSIONER FINNEY: Approve.

0020

1 MS. FRANKS: Commissioner Lombardo.

2 COMMISSIONER LOMBARDO: Approve.

3 MS. FRANKS: Commissioner Neer.

4 COMMISSIONER NEER: Approve.

5 MS. FRANKS: Chairman Jamison.

6 CHAIRMAN JAMISON: Approve.

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

8 Resolution No. 19-005 as amended for a 30-day

9 suspension.

10 COMMISSIONER FINNEY: Chairman, can I just

11 say one thing?

12 CHAIRMAN JAMISON: Sure.

13 COMMISSIONER FINNEY: I just want to commend

14 the hearing officer on your recommendations, your

15 thorough work. I do agree. You did exactly what you

16 should. I also appreciate the fact that we had

17 discretion in his decision, and I feel that you did a

18 very good job.

19 MR. WOLFORD: Thank you, Commissioner Finney.

20 I appreciate it.

21 CHAIRMAN JAMISON: I think you're still up.

22 MR. WOLFORD: I am.

23 Mr. Chairman, Commissioners, for your

24 consideration Resolution 19-006, the matter of Katrina

25 Roberson.

1 Ms. Roberson had applied for a Level II
2 Gaming license with the Commission. As part of the
3 application process there is a question on the
4 application, 14B, that states, have you ever been
5 arrested, detained, charged, indicted, convicted, pled
6 guilty or no contest or forfeited bail concerning any
7 crime and any offense in any jurisdiction.

8 Now, there is a yes or a no section on there,
9 and if you answer yes, you've got to explain your
10 answer. Ms. Roberson checked no on that portion of her
11 application. And there are other parts on the
12 application where it asks if you have anything further
13 to disclose as far as enforcement-related contacts, and
14 all those on her application she checked no.

15 She was interviewed by a Commission
16 investigator and again denied any previous contacts with
17 law enforcement. The investigator was quite clear to
18 her, have you had any contact with law enforcement, and
19 she was adamant that no was the correct answer.

20 She was given several opportunities to
21 disclose any contacts and did not. A subsequent check
22 of her criminal history found that she had been arrested
23 by the Missouri State Highway Patrol's Gaming Division
24 on July 20th, 2004 for a Class D felony of theft over
25 \$500.

1 At hearing Ms. Roberson testified that she
2 was brought in for questioning by the boat agent but she
3 said she wasn't arrested. She stated that she
4 voluntarily quit her job after serving a 30-day
5 suspension imposed by her employer and that she was
6 never charged or detained, although she did admit that
7 she was fingerprinted and photographed. I will note
8 that no charges were ever filed by the prosecutor.

9 However, during the hearing I did find that
10 she failed to disclose this felony arrest by the Gaming
11 Division in which she was alleged to be a co-conspirator
12 in theft of over \$500, and she was afforded several
13 opportunities throughout this process to tell the
14 Commission and the investigator about this law
15 enforcement contact but she did not.

16 Therefore, the hearing officer recommends
17 that the denial of her gaming license be affirmed. I'll
18 be happy to answer any questions.

19 CHAIRMAN JAMISON: Any questions of
20 Mr. Wolford?

21 Seeing none, is Ms. Roberson here?

22 Is there anyone here representing
23 Ms. Roberson?

24 The Chair would entertain a motion on
25 Resolution 19-006.

0023

1 COMMISSIONER LOMBARDO: Motion to approve.

2 COMMISSIONER FINNEY: Second.

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

5 Angie.

6 MS. FRANKS: Commissioner Boulware.

7 COMMISSIONER BOULWARE: Approve.

8 MS. FRANKS: Commissioner Finney.

9 COMMISSIONER FINNEY: Approve.

10 MS. FRANKS: Commissioner Lombardo.

11 COMMISSIONER LOMBARDO: Approve.

12 MS. FRANKS: Commissioner Neer.

13 COMMISSIONER NEER: Approve.

14 MS. FRANKS: Chairman Jamison.

15 CHAIRMAN JAMISON: Approve.

16 MS. FRANKS: By your vote you've adopted
17 Resolution No. 19-006.

18 CHAIRMAN JAMISON: Okay. Mr. Wolford, you're
19 still on.

20 MR. WOLFORD: Thank you, Mr. Chairman.

21 CHAIRMAN JAMISON: You have a full docket
22 this morning.

23 MR. WOLFORD: I do.

24 For your consideration Resolution 19-007, the
25 matter of Janet Frigerio.

1 testified to the facts and circumstances that resulted
2 in her Federal plea. She said that she entered the plea
3 upon the advice of her attorney in that Federal case.
4 She said that she didn't have the time or the money to
5 fight the charge but she claimed that she was not guilty
6 of the Federal charge even though she entered a guilty
7 plea, and at the time that her plea was entered she
8 testified that it was willing and voluntary.

9 She further testified that she wants off the
10 exclusion list because she works with senior citizens at
11 her current occupation, and as part of their activities
12 they go to the gaming facilities in the St. Louis area.

13 She says that she has not told her employer
14 or her senior citizens that she works with why she
15 cannot accompany them to the casino on outings.

16 Whenever I was deciding this I examined two
17 factors. First, was she rightfully placed on the
18 exclusion list? I looked into the crime for which she
19 voluntarily pled guilty to, the Federal program. The
20 essential elements of that crime include that she
21 embezzles, steals or obtains by fraud property valued at
22 \$5,000 or more.

23 Then I looked to the definition of moral
24 turpitude which is not defined in the CSR or the
25 statutes, but going to Blacks Law Dictionary, moral

1 turpitude is an act or behavior that gravely violates
2 moral sentiments or accepted moral standards of the
3 community.

4 And I found that embezzling and stealing
5 Federal property at \$5,000 or more meets that definition
6 of moral turpitude, so she was validly placed on the
7 exclusion list.

8 Then I looked as to whether she should be
9 removed from the list. As a condition of her probation
10 she can't engage in any form of gambling or gaming
11 whatsoever. She will remain on Federal probation until
12 August 27, 2020.

13 That means at the time of her petition to the
14 Commission for removal she was still on probation and
15 still had to comply with that specific provision that
16 she not gamble at all. Her placement on the exclusion
17 list aids in her compliance with that term of probation,
18 particularly in Missouri.

19 Finally at the hearing I found that she took
20 little responsibility for the felony crime of Federal
21 program theft. She produced evidence in an attempt to
22 excuse, if not justify her previous behavior.

23 In her current position she testified that
24 she has not told her employer or the senior citizens
25 that she works with the reason that she can't go on the

0027

1 gaming floor and admitted to making excuses for not
2 being able to go with them.

3 Based on all of the evidence I considered I
4 believe that her petition for removal from this
5 exclusion list should be denied by the Commission, and
6 I'd be happy to answer any questions.

7 CHAIRMAN JAMISON: Any questions for
8 Mr. Wolford?

9 I have a question. This is just kind of a
10 question for clarification. I know it came up in the
11 hearing.

12 Does our letter say that they can't be on any
13 portion of the premises or is it only the gaming
14 operation portion of the premises?

15 Because I know that that was a point that she
16 brought up during -- there was some confusion about what
17 our letter says is could she go to the premise and go to
18 the restaurant as long as she did not enter the gaming
19 floor, and there was some confusion about the answer to
20 that. Can I get a clarification of that?

21 It's not directly towards you, Mr. Wolford,
22 but I just want to see if I can -- because I've got the
23 letter pulled up and it says as a result of placement on
24 the exclusion list the subject shall not be permitted
25 entry to any portion of a riverboat gaming operation

0028

1 within the state and shall be ejected if discovered on
2 such premises.

3 Is the riverboat gaming operation the entire
4 property or is that where the gambling happens?

5 MR. GREWACH: Do you mind if I answer that?

6 CHAIRMAN JAMISON: I don't care who answers
7 it. I'd just like to have an answer.

8 MR. GREWACH: By statute the riverboat gaming
9 operation defines the premises inside the turnstile, the
10 gaming floor, is how that's defined by statute.

11 As a practical matter once people are put on
12 the casino list, the casino themselves send a letter
13 excluding the patron from the property. So they're
14 excluded basically -- you know, they're like a property
15 eviction, you know.

16 CHAIRMAN JAMISON: So it's the property that
17 has to send that letter?

18 MR. GREWACH: Yes.

19 CHAIRMAN JAMISON: Do they have to send that
20 letter or do they decide to send that letter if they've
21 been placed on the exclusion list?

22 MR. GREWACH: By rule they're required to
23 send that.

24 CHAIRMAN JAMISON: So if someone is placed on
25 the exclusion list, they'll get a letter from every

0029

1 casino in the state -- every licensee in the state of
2 Missouri informing them of their placement on the
3 exclusion list?

4 MR. GREWACH: Correct.

5 CHAIRMAN JAMISON: Okay. And in that letter
6 they're making the statement that they're not allowed on
7 any part of the premises?

8 MR. GREWACH: That's typically what those
9 letters say.

10 CHAIRMAN JAMISON: But it's not our letter
11 that says that?

12 MR. GREWACH: Correct.

13 CHAIRMAN JAMISON: Our rule applies to the
14 definition of the statute of the gaming floor as the
15 riverboat gaming operation.

16 Okay. Is Ms. Frigerio here, a representative
17 for her?

18 Okay. The Chair would entertain a motion on
19 Resolution 19-007.

20 COMMISSIONER BOULWARE: So moved.

21 COMMISSIONER LOMBARDO: Second.

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

24 Angie.

25 MS. FRANKS: Commissioner Boulware.

0030

1 COMMISSIONER BOULWARE: Approve.

2 MS. FRANKS: Commissioner Finney.

3 COMMISSIONER FINNEY: Approve.

4 MS. FRANKS: Commissioner Lombardo.

5 COMMISSIONER LOMBARDO: Approve.

6 MS. FRANKS: Commissioner Neer.

7 COMMISSIONER NEER: Approve.

8 MS. FRANKS: Chairman Jamison.

9 CHAIRMAN JAMISON: Approve.

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

11 Resolution No. 19-007.

12 CHAIRMAN JAMISON: Thank you, Mr. Wolford.

13 MR. WOLFORD: Thank you, Mr. Chairman,

14 Commissioners, Executive Director.

15 EXECUTIVE DIRECTOR SEIBERT: The next order

16 of business is Consideration of Disciplinary Actions.

17 Mr. Ed Grewach will present.

18 MR. GREWACH: Thank you, Director Seibert.

19 Mr. Chairman, Commissioners, under Tab E we

20 have a Preliminary Order of Discipline directed to

21 BMM North America. That company is an independent

22 testing laboratory that we license. The Preliminary

23 Order is for violations of Rule 4.230.

24 That requires the independent testing

25 laboratory to test electronic gaming device software for

0031

1 compliance with all regulatory requirements, and it
2 further requires them to maintain documentation of all
3 testing procedures.

4 On April 18, 2018 BMM certified software for
5 a specific electronic gaming device manufactured by IGT
6 for use in Missouri. Subsequently there is a
7 modification by the supplier of that software, and in
8 further tests BMM found that they had, in fact, missed a
9 discrepancy in the payout of the software compared to
10 the advertised rules of the game and the par sheet which
11 sets forth what the payment should be.

12 They notified us of that discrepancy on May
13 25th, 2018. We investigated after receiving that
14 notice, and we found that they failed to conduct testing
15 necessary to identify this defect when they first
16 certified the software, and they also failed to keep the
17 required records and failed to produce the documents of
18 their testing procedures, and the recommended fine is
19 \$2,500.

20 CHAIRMAN JAMISON: Okay. Any questions of
21 Ed?

22 COMMISSIONER LOMBARDO: Ed, I see that the
23 same company was fined in 2018 for a similar amount of
24 money.

25 MR. GREWACH: They were. When you look at

0032

1 BMM's priors, the one -- if you look at the March 2018
2 which they received a nonpunitive letter, that's a
3 similar violation. That's a testing failure. And the
4 one -- the fine they received in June of 2018 was for
5 not properly updating their database.

6 I guess my point is as you read through their
7 priors, they do have some priors, but as far as this
8 specific problem, these are the only two times, that
9 March 18 and now, that they have come up. You'll see a
10 fine then and for the September 2018 entry.

11 Now, that was by virtue of a routine audit we
12 did, and there were a couple issues there, again,
13 different than this issue. One was their physical setup
14 for protecting their records was insufficient and the
15 second was that they didn't keep a summarization of
16 their test scripts. And so that was found in the
17 original audit, followup audit. So that led to the
18 \$2,500 fine that they received in September of 2018.

19 CHAIRMAN JAMISON: Okay. Any other
20 questions?

21 COMMISSIONER BOULWARE: When did BMM
22 determine that there was an issue?

23 MR. GREWACH: They determined that on
24 May 25th, 2018.

25 COMMISSIONER BOULWARE: The same day they

0033

1 reported?

2 MR. GREWACH: Yes.

3 CHAIRMAN JAMISON: Seeing no other questions,
4 the Chair would entertain a motion on DC-19-022.

5 COMMISSIONER FINNEY: Motion to approve.

6 COMMISSIONER NEER: Second.

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

9 Angie.

10 MS. FRANKS: Commissioner Boulware.

11 COMMISSIONER BOULWARE: Approve.

12 MS. FRANKS: Commissioner Finney.

13 COMMISSIONER FINNEY: Approve.

14 MS. FRANKS: Commissioner Lombardo.

15 COMMISSIONER LOMBARDO: Approve.

16 MS. FRANKS: Commissioner Neer.

17 COMMISSIONER NEER: Approve.

18 MS. FRANKS: Chairman Jamison.

19 CHAIRMAN JAMISON: Approve.

20 MS. FRANKS: By your vote you've adopted
21 DC-19-022.

22 CHAIRMAN JAMISON: Ed.

23 MR. GREWACH: Under Tab F we have a
24 Preliminary Order of Discipline directed to Mark Twain
25 Casino for three followup audit findings.

1 A routine compliance audit for the period of
2 July of 2015 through April of 2017 was conducted. A
3 final report was issued on September 15th, 2017. A
4 followup to that audit was performed in February of
5 2018, and there were three significant findings that had
6 not been remedied at the time of the followup.

7 The first violation involves a violation of
8 Minimum Internal Control Standards I 13.05, which states
9 that only supervisors shall have the ability to void
10 point redemptions. The audit found that two casino
11 hosts who were not supervisors had the authority to void
12 point redemptions. The followup found three people,
13 including the two original casino hosts, still had that
14 ability.

15 The second violation is a violation of
16 Minimum Internal Control Standard U 2.18, which requires
17 a daily investigation of cashless meter variances and
18 reconciliation of those variances, again an original
19 audit finding that was still present when the followup
20 was conducted.

21 The third finding involved again Section U
22 2.18 which requires the casino to notify the Commission
23 of cashless meter variances. There was a finding in the
24 audit that they were not doing that and the followup
25 found that it has still not been corrected.

0035

1 The staff recommended a fine of \$5,000, and
2 the response which you'll see in your packet, the main
3 point that the casino made as to the casino host as to
4 the variances was that they switched slot accounting
5 systems and they attributed the problem to the vendor's
6 setup. Our reply to that is it's really the casino's
7 responsibility to comply and to check or test any work
8 that an outside vendor does in that switchover of slot
9 accounting system.

10 As to the other two violations they
11 acknowledged those violations but outlined remedial
12 steps they had taken, and the staff's vote was to
13 maintain its recommendation of a \$5,000 fine.

14 CHAIRMAN JAMISON: Okay. Any questions for
15 Ed?

16 The Chair would entertain a motion on
17 DC-19-023.

18 COMMISSIONER FINNEY: Motion to approve.

19 COMMISSIONER BOULWARE: Second.

20 CHAIRMAN JAMISON: It's been first and
21 seconded.

22 Angie.

23 MS. FRANKS: Commissioner Boulware.

24 COMMISSIONER BOULWARE: Approve.

25 MS. FRANKS: Commissioner Finney.

0036

1 COMMISSIONER FINNEY: Approve.

2 MS. FRANKS: Commissioner Lombardo.

3 COMMISSIONER LOMBARDO: Approve.

4 MS. FRANKS: Commissioner Neer.

5 COMMISSIONER NEER: Approve.

6 MS. FRANKS: Chairman Jamison.

7 CHAIRMAN JAMISON: Approve.

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

9 DC-19-023.

10 CHAIRMAN JAMISON: Ed.

11 MR. GREWACH: Under Tab G we have a

12 Preliminary Order of Discipline directed to the Argosy

13 Riverside Casino for two separate violations that

14 occurred on different dates of Rule 5.181 relating to

15 promotions.

16 That rule requires that all prizes be awarded

17 according to the casino's promotional rules, and it also

18 states that it's a violation for a casino to conduct a

19 promotion in a manner that reflects negatively on the

20 licensee.

21 The casino by rule also has internal audits

22 that are done to conduct compliance audits. Their

23 internal auditors discovered and reported to the MGC

24 that due to software malfunctions that patrons failed to

25 receive promotions earned in seven different promotions.

0037

1 That software problem affected 195 patrons and that
2 occurred between November of 2017 and April of 2018.

3 Then separately from that their marketing
4 department did an audit of their promotions and found a
5 violation that occurred on June 2nd, 2018, and again due
6 to a software problem there are 176 patrons who failed
7 to receive their promotional entries.

8 The staff recommends a fine of \$10,000.

9 CHAIRMAN JAMISON: So these were two
10 different promotions?

11 MR. GREWACH: Two different promotions, two
12 different dates.

13 CHAIRMAN JAMISON: And they self-reported?

14 MR. GREWACH: They self-reported in both
15 instances.

16 CHAIRMAN JAMISON: Okay. What was the impact
17 on the patrons, do we know?

18 Was it that they were just not recorded in
19 the promotion or --

20 MR. GREWACH: In one case they failed to get
21 drawings in the promotion, and the remedy that the
22 casino took was to hold a makeup drawing and invite
23 those persons that were left out to the makeup drawing.
24 In the second promotional problem they issued
25 approximately \$25,000 of free slot play to the affected

0038

1 patrons.

2 CHAIRMAN JAMISON: Okay. Any other questions
3 for Ed?

4 COMMISSIONER FINNEY: Ed, in your opinion was
5 this self-reporting, was it timely?

6 MR. GREWACH: Well, our issue with the fact
7 that the first report came from the internal -- external
8 auditors was that the marketing department should have
9 caught that, but I will say that as soon as the casino
10 was notified by their external auditors that it was a
11 problem, they notified us immediately. So there is not
12 a notice issue or violation in either of these two
13 violations.

14 CHAIRMAN JAMISON: Any other questions?

15 COMMISSIONER NEER: Is this event from
16 February of 2018 or was that a separate event for this
17 property? I show one on 2-18 for the same property.

18 MR. GREWACH: On the similar and prior cases?

19 COMMISSIONER NEER: Yes.

20 MR. GREWACH: This was -- yeah, it's a 2-18
21 but it was a 12-1-17 incident.

22 COMMISSIONER NEER: But a similar-type
23 incident where some people were left out of the --

24 MR. GREWACH: I would say yes.

25 COMMISSIONER NEER: Thanks.

0039

1 CHAIRMAN JAMISON: If there are no other
2 questions, the Chair would entertain a motion on
3 DC-19-024.

4 COMMISSIONER FINNEY: Motion to approve.

5 COMMISSIONER NEER: Second.

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

8 Angie.

9 MS. FRANKS: Commissioner Boulware.

10 COMMISSIONER BOULWARE: Approve.

11 MS. FRANKS: Commissioner Finney.

12 COMMISSIONER FINNEY: Approve.

13 MS. FRANKS: Commissioner Lombardo.

14 COMMISSIONER LOMBARDO: Approve.

15 MS. FRANKS: Commissioner Neer.

16 COMMISSIONER NEER: Approve.

17 MS. FRANKS: Chairman Jamison.

18 CHAIRMAN JAMISON: Approve.

19 MS. FRANKS: By your vote you've adopted
20 DC-19-024.

21 MR. GREWACH: Thank you.

22 CHAIRMAN JAMISON: Thank you.

23 EXECUTIVE DIRECTOR SEIBERT: The next order
24 of business, Mr. Chairman, is Consideration of Placement
25 on the Exclusion List. Mr. Ed Grewach will present.

0040

1 MR. GREWACH: Actually Carolyn.

2 EXECUTIVE DIRECTOR SEIBERT: Okay.

3 MS. KERR: Good morning.

4 CHAIRMAN/COMMISSIONERS: Good morning.

5 MS. KERR: The three exclusion cases, Tabs H,
6 I and J, they all rise out of the same background, so
7 I'm just going to explain them all but I know the
8 resolutions will have to be voted on separately.

9 These three individuals were co-conspirators
10 in an illegal sports gambling business in the St. Louis
11 area between 2008 and 2014. The three individuals
12 earned about a half a million dollars by taking bets
13 from persons located in Missouri and Illinois on college
14 and professional football games and then laundered the
15 money.

16 Two of them, Carol Hazer and Joseph Mahfood,
17 also misstated their income from gambling on their
18 Federal income tax returns. They each pled guilty in
19 the U.S. District Court for the Eastern District of
20 Missouri to various counts, including illegal interstate
21 gambling, money laundering, filing false tax returns.

22 Carol Hazer, she's the first one, pled guilty
23 to seven felonies, including conducting an illegal
24 gambling business, interstate activity in furtherance of
25 the gambling enterprise, money laundering and filing

0041

1 fraudulent tax returns for the years 2011 through 2014.

2 She was sentenced to Federal prison for
3 twelve months and one day on each of the seven counts,
4 followed by three years of supervised probation. She
5 was fined \$7,500 and ordered to pay the IRS over 57,000
6 in back taxes.

7 As part of her probation she was prohibited
8 from engaging in any form of gambling and to participate
9 in a gambling addiction treatment program. She has
10 placed herself on the DAP list back in December 2017.

11 Do you have any questions for that or should
12 I just go on?

13 CHAIRMAN JAMISON: Go ahead and do all three
14 of them, please.

15 MS. KERR: Samuel Hazer pled guilty to five
16 felonies, including conducting an illegal gambling
17 business, interstate acts in furtherance of the gambling
18 enterprise and money laundering, as well as laundering
19 monetary instruments.

20 He was sentenced to Federal prison for twelve
21 months and one day on each of the five counts, followed
22 by three years of supervised probation. He was fined
23 \$10,000, ordered to pay a \$500 assessment and also
24 ordered to forfeit his house, and there was a monetary
25 judgment of over \$98,000 levied against him.

1 In addition, in September of 1992 Mr. Hazer
2 pled guilty to two Class D felonies of promoting -- one
3 was promoting gambling and one was possession of
4 gambling records in the St. Louis Circuit Court.

5 He received an SES and a three-year sentence,
6 ordered to pay a fine and was placed on one-year
7 probation for the promoting gambling conviction and
8 three-years probation for the gambling records
9 conviction.

10 As part of that probation he was prohibited
11 from engaging in any form of gambling and entering any
12 gaming establishment casino. He also placed himself on
13 the DAP list in January of 2017.

14 Joseph Mahfood pled guilty to five felonies,
15 including conducting an illegal gambling business,
16 interstate acts in furtherance of gambling, the gambling
17 enterprise, and filing a false tax return for the year
18 2011. He also had two counts of laundering of monetary
19 instruments.

20 He was sentenced to three-years supervised
21 probation, ordered to complete 100 hours of community
22 service, pay a \$500 assessment, pay over \$147,000 in
23 back taxes, as well as to forfeit four vehicles, his
24 bank accounts totaling over \$400,000 and a judgment of
25 \$493,898. As part of his probation he was prohibited

0043

1 from engaging in any form of gambling and from entering
2 any gambling establishment or casino.

3 And based on the fact that these crimes are
4 crimes involving gambling and moral turpitude, we ask
5 that Carol Hazer, Samuel Hazer and Joseph Mahfood be
6 placed on the involuntary exclusion list.

7 CHAIRMAN JAMISON: Any questions for Carolyn?

8 COMMISSIONER NEER: No.

9 CHAIRMAN JAMISON: I know that the Hazers
10 would not have an opportunity to be here, but
11 Mr. Mahfood, is he present?

12 Okay. Seeing no one the Chair would
13 entertain a motion on Resolution 19-008.

14 Thank you, Carolyn.

15 COMMISSIONER LOMBARDO: Motion to approve.

16 COMMISSIONER FINNEY: Second.

17 CHAIRMAN JAMISON: It's been first and
18 seconded.

19 Angie.

20 MS. FRANKS: Commissioner Boulware.

21 COMMISSIONER BOULWARE: Approve.

22 MS. FRANKS: Commissioner Finney.

23 COMMISSIONER FINNEY: Approve.

24 MS. FRANKS: Commissioner Lombardo.

25 COMMISSIONER LOMBARDO: Approve.

0044

1 MS. FRANKS: Commissioner Neer.

2 COMMISSIONER NEER: Approve.

3 MS. FRANKS: Chairman Jamison.

4 CHAIRMAN JAMISON: Approve.

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

6 Resolution No. 19-008.

7 CHAIRMAN JAMISON: And the Chair would

8 entertain a motion on Resolution 19-009.

9 COMMISSIONER LOMBARDO: Motion to approve.

10 COMMISSIONER FINNEY: Second.

11 CHAIRMAN JAMISON: It's been first and

12 seconded.

13 Angie.

14 MS. FRANKS: Commissioner Boulware.

15 COMMISSIONER BOULWARE: Approve.

16 MS. FRANKS: Commissioner Finney.

17 COMMISSIONER FINNEY: Approve.

18 MS. FRANKS: Commissioner Lombardo.

19 COMMISSIONER LOMBARDO: Approve.

20 MS. FRANKS: Commissioner Neer.

21 COMMISSIONER NEER: Approve.

22 MS. FRANKS: Chairman Jamison.

23 CHAIRMAN JAMISON: Approve.

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

25 Resolution No. 19-009.

0045

1 CHAIRMAN JAMISON: Okay. And the Chair would
2 entertain a motion on Resolution No. 19-010.

3 COMMISSIONER LOMBARDO: Motion to approve.

4 COMMISSIONER FINNEY: Second.

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

7 MS. FRANKS: Commissioner Boulware.

8 COMMISSIONER BOULWARE: Approve.

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: Chairman Jamison.

16 CHAIRMAN JAMISON: Approve.

17 MS. FRANKS: By your vote you've adopted
18 Resolution No. 19-010.

19 CHAIRMAN JAMISON: Okay. Ed, you're back.

20 MR. GREWACH: I am.

21 Under Tab K we have a list of nine Final
22 Orders of Rulemaking. These rules, the proposed Order
23 of Rulemaking, was approved by the Commission on October
24 31st, 2018. That was followed by a public written
25 comment period and then subsequently by a public hearing

0046

1 which took place on January the 8th, 2019.

2 We received no comments on any of these
3 rules. If the rules are approved, they are effective on
4 June 30th, 2019. I would state generally that all these
5 were done in our continuing process of complying with
6 both the Governor's Executive Order to review rules and
7 the statutory requirement under Chapter 536 for us to do
8 a periodic review of rules and eliminate any that are
9 obsolete or a duplication of another statute.

10 CHAIRMAN JAMISON: Okay. Any questions on
11 any of them? I'm assuming we can do this as one docket.

12 MR. GREWACH: One motion would be --

13 CHAIRMAN JAMISON: They're related enough to
14 do that?

15 MR. GREWACH: They are.

16 CHAIRMAN JAMISON: Okay. The Chair would
17 entertain a motion for approval of Final Orders of
18 Rulemaking under Tab K.

19 COMMISSIONER NEER: Motion to approve.

20 COMMISSIONER FINNEY: Second.

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

23 Angie.

24 MS. FRANKS: Commissioner Boulware.

25 COMMISSIONER BOULWARE: Approve.

0047

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: Chairman Jamison.

8 CHAIRMAN JAMISON: Approve.

9 MS. FRANKS: By your vote you've adopted the
10 Final Orders of Rulemaking, 11 CSR 45-4.420, 7.130,
11 9.102, 9.106, 9.109, 9.116, 9.117, 30.020 and 40.030.

12 CHAIRMAN JAMISON: Okay. Thank you.

13 Director Seibert.

14 EXECUTIVE DIRECTOR SEIBERT: The next order
15 of business, Mr. Chairman, is Consideration of
16 Ratification of Extension of License. Mr. Ed Grewach.

17 MR. GREWACH: Thank you.

18 SportsHub Games Network, Incorporated is a
19 holder of a fantasy sports license. Their license is
20 set to expire on March the 1st, 2019.

21 We have a rule that requires the company to
22 hold the funds, players' accounts, in a separate special
23 purpose entity, which they have done. The rule goes on
24 to state that that special purpose entity has to have an
25 independent director.

0048

1 SportsHub's independent director resigned and
2 they have identified a replacement, and we just received
3 this week the name of that replacement. Now, there is a
4 process that has to go into place where we do a
5 background check, a criminal history on them. There's
6 an application they have to fill in.

7 So the bottom line is we were not going to be
8 able to have that completed and ready for you by this
9 meeting.

10 The Chairman pursuant to his authority under
11 Rule 1.020 granted the company an extension of their
12 license through April 24th, 2019. That date instead of
13 May 1st is because there is a limit of the 60-day
14 extension on the Chairman's ability to extend the
15 license.

16 That Rule 1.020 also provides that any
17 extension granted by the Chairman under these
18 circumstances is required to be ratified by the full
19 Commission at the next regular meeting; therefore, we
20 are presenting to you this resolution ratifying the
21 Chairman's actions.

22 CHAIRMAN JAMISON: Any questions on the
23 Chairman's actions?

24 COMMISSIONER LOMBARDO: Can we put you under
25 oath?

0049

1 CHAIRMAN JAMISON: You can. I don't know
2 what good it will do you but you can.

3 The Chair would entertain a motion on
4 Resolution No. 19-011.

5 COMMISSIONER LOMBARDO: Motion to approve.

6 COMMISSIONER NEER: Second.

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

9 Angie.

10 MS. FRANKS: Commissioner Boulware.

11 COMMISSIONER BOULWARE: Approve.

12 MS. FRANKS: Commissioner Finney.

13 COMMISSIONER FINNEY: Approve.

14 MS. FRANKS: Commissioner Lombardo.

15 COMMISSIONER LOMBARDO: Approve.

16 MS. FRANKS: Commissioner Neer.

17 COMMISSIONER NEER: Approve.

18 MS. FRANKS: Chairman Jamison.

19 CHAIRMAN JAMISON: Approve.

20 MS. FRANKS: By your vote you've adopted
21 Resolution No. 19-011.

22 CHAIRMAN JAMISON: Thanks, Ed.

23 EXECUTIVE DIRECTOR SEIBERT: The next order
24 of business is Consideration of Relicensure of Fantasy
25 Sports Operators.

0050

1 Sergeant Jason McTheeney will present.

2 SERGEANT MCTHEENEY: Mr. Chairman,
3 Commissioners, good morning.

4 CHAIRMAN/COMMISSIONERS: Good morning.

5 SERGEANT MCTHEENEY: Missouri Gaming
6 Commission staff, financial investigators with the
7 Missouri Gaming Commission and Missouri State Highway
8 Patrol investigators completed application reviews and
9 verification of statutory compliance for the following
10 fantasy sports operators which have applied for
11 relicensure with the State of Missouri: DraftKings,
12 Inc. and FanDuel, Inc.

13 The results of these reviews and statutory
14 verification were provided to MGC staff and you have all
15 related summary reports before you.

16 Thank you.

17 CHAIRMAN JAMISON: Does anyone have any
18 questions in reference to relicensure? Not that you
19 haven't been asked before. And I think if you have any,
20 we might have to go to closed.

21 COMMISSIONER LOMBARDO: Right.

22 CHAIRMAN JAMISON: Does anyone have a desire
23 to go to closed to discuss those items?

24 COMMISSIONER LOMBARDO: No.

25 COMMISSIONER NEER: No.

0051

1 CHAIRMAN JAMISON: Thank you very much.

2 The Chair would entertain a motion on

3 Resolution No. 19-012.

4 COMMISSIONER FINNEY: Motion to approve.

5 COMMISSIONER LOMBARDO: Second.

6 CHAIRMAN JAMISON: It's been first and

7 seconded.

8 Angie.

9 MS. FRANKS: Commissioner Boulware.

10 COMMISSIONER BOULWARE: Approve.

11 MS. FRANKS: Commissioner Finney.

12 COMMISSIONER FINNEY: Approve.

13 MS. FRANKS: Commissioner Lombardo.

14 COMMISSIONER LOMBARDO: Approve.

15 MS. FRANKS: Commissioner Neer.

16 COMMISSIONER NEER: Approve.

17 MS. FRANKS: Chairman Jamison.

18 CHAIRMAN JAMISON: Approve.

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

20 Resolution No. 19-012.

21 CHAIRMAN JAMISON: Chair would now consider a

22 motion on Resolution 19-013.

23 COMMISSIONER FINNEY: Motion to approve.

24 COMMISSIONER NEER: Second.

25 CHAIRMAN JAMISON: First and seconded.

0052

1 Angie.

2 MS. FRANKS: Commissioner Boulware.

3 COMMISSIONER BOULWARE: Approve.

4 MS. FRANKS: Commissioner Finney.

5 COMMISSIONER FINNEY: Approve.

6 MS. FRANKS: Commissioner Lombardo.

7 COMMISSIONER LOMBARDO: Approve.

8 MS. FRANKS: Commissioner Neer.

9 COMMISSIONER NEER: Approve.

10 MS. FRANKS: Chairman Jamison.

11 CHAIRMAN JAMISON: Approve.

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

13 Resolution 19-013.

14 EXECUTIVE DIRECTOR SEIBERT: Next is

15 Consideration of Relicensure of Certain Suppliers.

16 Corporal John Masters will present.

17 CORPORAL MASTERS: Good morning, Mr. Chairman

18 and Commissioners.

19 CHAIRMAN/COMMISSIONERS: Good morning.

20 CORPORAL MASTERS: Investigators with the

21 Missouri State Highway Patrol and MGC conducted the

22 relicensing investigation of Landry Holdings, LLC doing

23 business as Casino Tech, who is currently a licensed

24 supplier in Missouri.

25 This investigation consisted of but was not

0053

1 limited to jurisdictional inquiries, feedback from
2 gaming company clients, a review of disciplinary
3 actions, litigation and business credit profiles, as
4 well as a review of key persons associated with Casino
5 Tech.

6 The result of this investigation was provided
7 to the MGC staff for their review, and you possess the
8 comprehensive summary report which outlines the
9 investigative findings. The investigating officers are
10 available to answer any questions you might have at this
11 time. Thank you.

12 CHAIRMAN JAMISON: Any questions?

13 COMMISSIONER LOMBARDO: No.

14 CHAIRMAN JAMISON: Thank you.

15 CORPORAL MASTERS: Thank you.

16 CHAIRMAN JAMISON: The Chair would entertain
17 a motion on Resolution 19-014.

18 COMMISSIONER BOULWARE: So moved.

19 COMMISSIONER LOMBARDO: Second.

20 CHAIRMAN JAMISON: First and seconded.
21 Angie.

22 MS. FRANKS: Commissioner Boulware.

23 COMMISSIONER BOULWARE: Approve.

24 MS. FRANKS: Commissioner Finney.

25 COMMISSIONER FINNEY: Approve.

0054

1 MS. FRANKS: Commissioner Lombardo.

2 COMMISSIONER LOMBARDO: Approve.

3 MS. FRANKS: Commissioner Neer.

4 COMMISSIONER NEER: Approve.

5 MS. FRANKS: Chairman Jamison.

6 CHAIRMAN JAMISON: Approve.

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

8 Resolution No. 19-014.

9 EXECUTIVE DIRECTOR SEIBERT: The final order
10 of business for us is Consideration of Licensure for
11 Level I and key applicants. Sergeant Bennett will
12 present.

13 SERGEANT BENNETT: Good morning, Chairman,
14 Commissioners.

15 CHAIRMAN/COMMISSIONERS: Good morning.

16 SERGEANT BENNETT: Missouri State Highway
17 Patrol investigators, along with Missouri Gaming
18 Commission financial investigators, conducted
19 comprehensive background investigations on multiple key
20 and Level I applicants.

21 The investigations included but were not
22 limited to criminal, financial and general character
23 inquiries in the jurisdictions where the applicants
24 lived, frequented and worked.

25 The following applicants are being presented

0055

1 for your consideration: Patrick Ramsey, Non-Executive
2 Director for Aristocrat Leisure Limited; Matthew Wilson,
3 Managing Director, Americas and Senior Vice President
4 Global Gaming Operations for Aristocrat Technologies;
5 Floyd Barroga. He's the Vice President of Technical
6 Compliance for BMM North America. Veronica Wilson,
7 Independent Director for Boyd Gaming Corporation;
8 Jonathan Newman, Information Technology Manager for Isle
9 of Capri Caruthersville, Lady Luck Casino; Christopher
10 Cook, IT Manager, Isle of Capri Cape Girardeau; and Luke
11 Keller, Vice President and General Manager for
12 Mark Twain Casino.

13 The results of these investigations were
14 provided to the Missouri Gaming Commission staff for
15 their review and all of the related summaries are before
16 you.

17 Do you have any questions?

18 CHAIRMAN JAMISON: Any questions in reference
19 to the investigation?

20 COMMISSIONER NEER: No, sir.

21 CHAIRMAN JAMISON: Seeing none, thank you
22 very much.

23 Seeing none the Chair would entertain a
24 motion on Resolution 19-015.

25 COMMISSIONER FINNEY: Motion to approve.

0056

1 COMMISSIONER BOULWARE: Second.

2 CHAIRMAN JAMISON: It's been first and
3 seconded.

4 Angie.

5 MS. FRANKS: Commissioner Boulware.

6 COMMISSIONER BOULWARE: Approve.

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: Chairman Jamison.

14 CHAIRMAN JAMISON: Approve.

15 MS. FRANKS: By your vote you've adopted
16 Resolution 19-015.

17 CHAIRMAN JAMISON: Before I'd entertain a
18 motion for a closed meeting I'd like to just take a
19 minute and recognize our Executive Director Bill
20 Seibert.

21 This is his last Missouri Gaming Commission
22 meeting as our Executive Director, and I just wanted to
23 congratulate you on behalf of the Commission and thank
24 you for all of the work you've done for the Commission
25 over your years and wish you well in your retirement,

0057

1 and I just wanted to extend our appreciation to you.

2 Thank you for all that you've done.

3 EXECUTIVE DIRECTOR SEIBERT: Thank you.

4 CHAIRMAN JAMISON: Now I'd entertain a motion
5 for a closed meeting.

6 COMMISSIONER BOULWARE: So moved.

7 CHAIRMAN JAMISON: You can't do that. You
8 can read it if you want to.

9 COMMISSIONER LOMBARDO: I move for a closed
10 meeting under Section 313.847 and 313.945, RSMo.,
11 Investigatory, Proprietary and Application Records,
12 And 610.021, Subsection 1, RSMo., Legal Actions,
13 Subsection 3 and Subsection 13, Personnel and
14 Subsection 14, Records Protected from Disclosure by Law.

15 CHAIRMAN JAMISON: Is there a second?

16 COMMISSIONER FINNEY: Second.

17 CHAIRMAN JAMISON: It's been first and
18 seconded.

19 Angie.

20 MS. FRANKS: Commissioner Boulware.

21 COMMISSIONER BOULWARE: Approved.

22 MS. FRANKS: Commissioner Finney.

23 COMMISSIONER FINNEY: Approve.

24 MS. FRANKS: Commissioner Lombardo.

25 COMMISSIONER LOMBARDO: Approve.

0058

1 MS. FRANKS: Commissioner Neer.

2 COMMISSIONER NEER: Approved.

3 MS. FRANKS: Chairman Jamison.

4 CHAIRMAN JAMISON: Approve.

5 Okay. Just to kind of give you, we are going
6 to go into a closed meeting. We're not going to come
7 back into an open meeting until one o'clock, at which
8 time we'll be celebrating Bill's retirement, and then we
9 will be going back into a closed meeting for some
10 personnel issues and then come back for an open meeting.

11 I just want you to understand that we don't
12 see anything after that second closed meeting that would
13 be any need for anyone to be here, but just kind of
14 wanted to let you know what the process is and what we
15 are going to be going through the rest of the afternoon
16 with all of the open and closed meetings on our agenda.

17 So thank you very much.

18 WHEREIN, the meeting concluded at 11:29 a.m.

19

20

21

22

23

24

25

0059

1

2

3

CERTIFICATE OF REPORTER

4

5

I, Patricia A. Stewart, CCR, a Certified

6

Court Reporter in the State of Missouri, do hereby

7

certify that the testimony taken in the foregoing

8

transcript was taken by me to the best of my ability and

9

thereafter reduced to typewriting under my direction;

10

that I am neither counsel for, related to, nor employed

11

by any of the parties to the action in which this

12

transcript was taken, and further that I am not a

13

relative or employee of any attorney or counsel employed

14

by the parties thereto, nor financially or otherwise

15

interested in the outcome of the action.

16

17

18

19

Patricia A. Stewart

20

CCR 401

21

22

23

24

25

MISSOURI GAMING COMMISSION
Second Open Session Minutes
February 27, 2019

The Missouri Gaming Commission (the “Commission”) went into open session at approximately 4:29 p.m. on February 27, 2019, at the Jefferson City office of the Missouri Gaming Commission.

Commissioner Finney moved to adjourn the open session meeting. Commissioner Boulware 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 4:30 p.m.