

1 MISSOURI GAMING COMMISSION
2 STATE OF MISSOURI

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Open Meeting

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June 30, 2020

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MISSOURI GAMING COMMISSION
STATE OF MISSOURI

Open Meeting

Missouri Gaming Commission
3417 Knipp Drive
Jefferson City, Missouri

June 30, 2020

BEFORE (APPEARING VIA TELEPHONE):

Mike Leara, Chairman
Brandon Boulware, Commissioner
Pat Conway, Commissioner
David W. Hane, Commissioner

REPORTED BY:

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1 (WHEREUPON, the hearing began at
2 3:10 p.m.)

3 COMMISSIONER LEARA: I'll call the
4 meeting to order. Angie, would you please call the
5 roll. Angie, please call the roll.

6 MS. FRANKS: Commissioner Hane?

7 COMMISSIONER HANE: Present.

8 MS. FRANKS: Commissioner Conway?

9 COMMISSIONER CONWAY: Present.

10 MS. FRANKS: Commissioner Boulware?

11 COMMISSIONER BOULWARE: Present.

12 MS. FRANKS: Commissioner Finney?

13 (No response.)

14 MS. FRANKS: Chairman Leara?

15 COMMISSIONER LEARA: Present. Okay.

16 We have a quorum. The next item will be adoption
17 of the agenda. I move for the adoption of the
18 agenda as written. Any discussion? Ask for a
19 second and then we'll vote.

20 COMMISSIONER HANE: Second.

21 CHAIRMAN LEARA: We have a second.
22 Angie.

23 MS. FRANKS: Commissioner Hane?

24 COMMISSIONER HANE: Approved.

25 MS. FRANKS: Commissioner Conway?

1 (No response.)

2 MS. FRANKS: Commissioner Boulware?

3 COMMISSIONER BOULWARE: Approved.

4 MS. FRANKS: Chairman Leara?

5 COMMISSIONER LEARA: Approved

6 MS. FRANKS: Mr. Chairman, we have to
7 get -- okay. Commissioner Conway's back on the
8 phone. If someone speaks, would you please
9 introduce yourself for the court reporter.

10 COMMISSIONER LEARA: So let's let
11 Mr. Conway vote on the agenda and then we'll call
12 that.

13 MS. FRANKS: Commissioner Conway?
14 Commissioner Conway?

15 COMMISSIONER CONWAY: Approved.

16 MS. FRANKS: Okay. The agenda is
17 adopted.

18 COMMISSIONER LEARA: All right.
19 Motion carries.

20 Next item is consideration of
21 licensure for, we'll just break it down, Twin
22 River. We had presentations. I don't think we had
23 any public comment, but we have that lined out
24 there. Is there any public comment? Okay. Seeing
25 none.

1 Investigative summary and staff
2 recommendation, and we have someone there at the
3 home office to speak on this. Is that correct,
4 Tim?

5 MR. McGRAIL: Yes. We were going by
6 the presentation that was given, but if you want us
7 to repeat that again, we can.

8 COMMISSIONER LEARA: No, not at this
9 point. We may have questions. So -- well, there's
10 three items there. There's three resolutions.
11 Let's just -- let's get right to it. Does anybody
12 have any questions first of all, any of the
13 Commissioners?

14 COMMISSIONER HANE: This is
15 Commissioner Hane.

16 CHAIRMAN LEARA: Yes, Commissioner
17 Hane.

18 COMMISSIONER HANE: This is
19 Commissioner Hane. I have a question. I thought I
20 had it all figured out here. On Tab A1, basically
21 it is the summary report in the litigation section.
22 It's actually page 5 of the report, but it is
23 listed under page 9 of the tab. Under litigation
24 it talks about -- it talks about this, the AIG
25 thing with the insurance company. I had a

1 question.

2 It says if the -- at the very end of
3 that page it says, if the case does not settle, the
4 reasonableness -- this is the reasonableness of --
5 a hearing will be held in February of 2020. Now,
6 is that -- was that a -- I mean, this report is
7 dated -- and I realize that some of this stuff
8 happened, the investigative part of it happened
9 prior to, but is 2020 a typo or, I mean, should
10 this be, if the cases does not settle, the
11 reasonableness hearing will be held in February of
12 2021? Just curious. Otherwise, has this
13 reasonable hearing already taken place?

14 MR. EATON: This is Craig Eaton from
15 Twin River. Would it be appropriate for me to
16 address that?

17 CHAIRMAN LEARA: Yes. Please, Craig,
18 go ahead.

19 MR. EATON: Okay. So when that was
20 written, that was, I assume, the best estimate
21 probably provided by me to the staff. What
22 happened is there was a continuance of that into
23 the March/April time frame, and then we had COVID
24 where any of the civil cases that had a jury trial
25 just have shut down. So it's not a typo. Go

1 ahead.

2 COMMISSIONER HANE: This is the thing
3 that we had talked about at the last meeting, and
4 was this going to be -- if this hearing even takes
5 place, then was that the one that was going to take
6 place in like August or something?

7 MR. EATON: That is a -- that's a
8 different hearing. Yeah. This is the one where
9 the company will hopefully be recovering up to
10 \$7 million from AIG for -- you know, the August one
11 is another case where we are -- we're looking at
12 the -- approving the settlement in the Chatham
13 case, which is in Delaware Chancery Court, and it
14 needs to be -- even though a settlement's been
15 reached between the two parties and it produces
16 value, Delaware Chancery rules say that you have to
17 go and have the judge bless the settlement. We've
18 been through this a few times and it's a very
19 perfunctory operation.

20 COMMISSIONER HANE: All right. I
21 recall -- I recall this discussion that we had at
22 the regular meeting about -- I was just reading
23 this report again and I was just a little confused
24 about the hearing date. Okay. Thank you.

25 MR. EATON: Thank you.

1 COMMISSIONER LEARA: Thank you,
2 Mr. Eaton. Anyone else?

3 Okay. I have one question. Start it
4 off with, and this meeting was held today because
5 last week we didn't have completed some background
6 reports, and I think it was stated that there was
7 five, but it appears there's still one out. I
8 don't know who would be the best to speak on that.
9 And it wasn't mentioned during the meeting, but it
10 shows up in the reports as a key person, and I do
11 not see any sort of an investigation or report on
12 that. It would be for a key entity, Standard RI,
13 Joseph Mause. Is there a report there from
14 Mr. Mause? Someone from staff?

15 LT. AYLWARD: Mr. Chairman, this is
16 Lieutenant Aylward with the Missouri State Highway
17 Patrol. You're looking in the Twin River summary,
18 is that correct, under the same cover?

19 COMMISSIONER LEARA: Yeah, Part 3,
20 company profile of Standard RI, and it has Mr. Kim,
21 and we saw his report, and another key person as
22 stated on there is Joseph Mause, the CFO.

23 LT. AYLWARD: I'm not sure if I'm
24 following what you're saying, Part 3. Okay.

25 COMMISSIONER LEARA: Yeah.

1 LT. AYLWARD: Let me find it in the
2 TLC.

3 MR. McGRAIL: Page 34.

4 COMMISSIONER LEARA: On mine it says
5 page 38 on my iPad. So I don't know how accurate
6 that is.

7 LT. AYLWARD: We've located it.

8 COMMISSIONER LEARA: Page 34 of the
9 report, key persons, and he's the only key person
10 in this whole organization that's listed anyway
11 that does not have any sort of an investigation.
12 Is he a -- is it pending or is it applied for? I
13 don't know.

14 MR. LEITMAN: Mr. Chairman, David
15 Leitman with the answer.

16 CHAIRMAN LEARA: Yes.

17 MR. LEITMAN: This is David Leitman.

18 CHAIRMAN LEARA: Mr. Leitman, go
19 ahead.

20 MR. LEITMAN: Yes, sir. When the
21 application originally came in and was reviewed by
22 staff back in August or September of last year, a
23 background was not solicited from that individual
24 since he was a component of Mr. Kim's company,
25 Standard RI, and we were conducting an

1 investigation on -- or they were conducting an
2 investigation, a decision was made that that
3 individual did not need to be investigated because
4 of his position with that lower-level company.

5 If you would prefer one be done, that
6 can be done once an application is submitted, but
7 it was not requested. He was deemed -- it was
8 deemed unnecessary at the time back in late August
9 or September of last year.

10 COMMISSIONER LEARA: In general, all
11 key persons, though, have that application and a
12 license issued; is that correct?

13 MR. LEITMAN: Key persons with the
14 Class A, not necessarily with the key business
15 entities that are derivatives or under the Class A.
16 It can be done according to...

17 COMMISSIONER LEARA: Okay. Any other
18 questions? I think we're going to have to look
19 into that. As I recall, all of the key persons,
20 especially once listed, should be licensed. Is
21 that wrong? Is that incorrect? And you're saying
22 the level of this entity doesn't require it, but
23 he's listed as a key person. So help me out there.

24 MR. LEITMAN: Well, that was a
25 decision, sir, that was -- David Leitman again.

1 That was a decision, sir, that was made by staff
2 last year when the application came in. So there
3 was no action on that based on the senior staff
4 decision. It never came up to be investigated, so
5 we never received a packet to investigate.

6 COMMISSIONER LEARA: Okay. I think
7 we'll look into that. I'd just like to see the
8 criteria for who needs to be licensed and who
9 doesn't.

10 All right. Any other discussion on
11 any part of the Twin Rivers? Okay. Seeing none, I
12 will move for the adoption of Resolution 20-010,
13 the Class A licensure, and ask for a second.

14 COMMISSIONER CONWAY: Commissioner
15 Conway. I'll second.

16 COMMISSIONER LEARA: Mr. Conway
17 seconds. Any other discussion? Seeing none.
18 Angie, please call the roll.

19 MS. FRANKS: Commissioner Hane?

20 COMMISSIONER HANE: Approved.

21 MS. FRANKS: Commissioner Conway?

22 COMMISSIONER CONWAY: Approved.

23 MS. FRANKS: Commissioner Boulware?

24 COMMISSIONER BOULWARE: Approved.

25 MS. FRANKS: Chairman Leara?

1 COMMISSIONER LEARA: Approved.

2 MS. FRANKS: By your vote, you've
3 adopted Resolution No. 20-010.

4 COMMISSIONER LEARA: I will next move
5 for the adoption of Resolution No. 20-011, the
6 change of control, and ask for a second.

7 COMMISSIONER HANE: Commissioner
8 Hane. I second.

9 COMMISSIONER LEARA: Mr. Hane
10 seconds. Any discussion? Seeing none. Angie,
11 please call the roll.

12 MS. FRANKS: Commissioner Hane?

13 COMMISSIONER HANE: Approved.

14 MS. FRANKS: Commissioner Conway?

15 COMMISSIONER CONWAY: Approved.

16 MS. FRANKS: Commissioner Boulware?

17 COMMISSIONER BOULWARE: Approved.

18 MS. FRANKS: Chairman Leara?

19 COMMISSIONER LEARA: Approved.

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

22 COMMISSIONER LEARA: I will now move
23 for the adoption of Resolution 20-012 and ask for a
24 second.

25 COMMISSIONER BOULWARE: Second. This

1 is Commissioner Boulware.

2 COMMISSIONER LEARA: Mr. Boulware
3 seconds. Any other discussion? Seeing none.
4 Angie, please call the roll.

5 MS. FRANKS: Commissioner Hane?

6 COMMISSIONER HANE: Approved.

7 MS. FRANKS: Commissioner Conway?

8 COMMISSIONER CONWAY: Approved.

9 MS. FRANKS: Commissioner Boulware?

10 COMMISSIONER BOULWARE: Approved.

11 MS. FRANKS: Chairman Leara?

12 COMMISSIONER LEARA: Approved.

13 MS. FRANKS: By your vote, you've
14 adopted Resolution No. 20-012.

15 COMMISSIONER LEARA: The next item on
16 the agenda is a motion for closed meeting. I don't
17 see the need for one unless any other commissioner
18 asks for such. Seeing none. I'll take a motion to
19 adjourn.

20 COMMISSIONER BOULWARE: So moved.
21 Brandon Boulware.

22 COMMISSIONER LEARA: Mr. Boulware
23 motions to adjourn. Do we have a second?

24 COMMISSIONER HANE: David Hane.
25 Second.

1 COMMISSIONER CONWAY: Commissioner
2 Conway. I'll second.

3 COMMISSIONER LEARA: We have a
4 second. Take your pick. Angie, please call the
5 roll.

6 MS. FRANKS: Commissioner Hane?

7 COMMISSIONER HANE: Approved.

8 MS. FRANKS: Commissioner Conway?

9 COMMISSIONER CONWAY: Approved. And
10 I apologize, gentlemen. The time got away from me
11 today.

12 MS. FRANKS: Commissioner Boulware?

13 COMMISSIONER BOULWARE: Approved.

14 MS. FRANKS: Chairman Leara?

15 COMMISSIONER LEARA: Approved. We
16 now stand adjourned.

17 (WHEREUPON, the meeting of the
18 Missouri Gaming Commission concluded at 3:25 p.m.)

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