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BEFORE THE MISSOURI GAMING COMMISSION

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Meeting

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May 25, 2022

Missouri Gaming Commission

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3417 Knipp Drive

Jefferson City, Missouri

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13 Present:

14 Mike Leara - Chairman

Pat Conway - Commissioner

15 David Hane - Commissioner

Jan Zimmerman - Commissioner

16 Peggy Richardson - Executive Director

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18 THE COURT REPORTER:

19 Jenna Petree

LEXITAS LEGAL

20 2511 Broadway Bluffs

Columbia, MO 65201

21 573-449-0561

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AGENDA

2

I. Call to Order

3

II. Adoption of Agenda

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III. Team Member Recognition

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IV. Consideration of Minutes

A. April 26, 2022

6

B. April 27, 2022

7

V. Consideration of Hearing Officer Recommendation

C. Pure Quach

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1. Resolution No. 22-030

9

VI. Consideration of Waiver of Licensure for Institutional Investor

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D. Capital Research and Management Company

1. Resolution No. 22-030

11

VII. Consideration of Licensure for Level I/Key Applicants

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E. Resolution No. 22-032

13

VIII. Consideration of Relicensure of Key Persons

F. Resolution No. 22-033

14

IX. Consideration of Bingo Settlement

15

G. VFW Auxiliary 2654

1. Resolution No. 22-001-B

16

X. Consideration of Rules and Regulations

17

H. Final Orders of Rulemaking

1. 11 CSR 45-5.184 - Table Game Cards - Receipt, Storage, Inspections, and Removal from Use.

18

2. 11 CSR 45-5.264 - Dice - Receipt, Storage, Inspections and Removal from Use

19

3. 11 CSR 45-9.104 - Minimum Internal Control Standards (MICS) Chapter D

20

a. Resolution No. 22-034

21

I. Final Orders of Rulemaking (Cashless)

1. 11 CSR 45-1.090 - Definitions

22

2. 11 CSR 45-5.190 - Minimum Standards for Electronic Gaming Devices

23

3. 11 CSR 45-5.210 - Integrity of Electronic Gaming Devices

24

4. 11 CSR 45-5.215 - Cashless Promotional, and Bonusing Systems

25

5. 11 CSR 45-5.225 - Request for Approval of Gaming

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1 6. 11 CSR 45-9.108 - Minimum Internal Control
Standards (MICS) Chapter H

2 7. 11 CSR 45-9.118 - Minimum Internal Control
Standards (MICS) Chapter R

3 8. 11 CSR 45-9.119 - Minimum Internal Control
Standards (MICS) Chapter S

4 9. 11 CSR 45-9.121 - Minimum Internal Control
Standards (MICS) Chapter U

5 a. Resolution No. 22.035

6 XI. Motion for Closed Meeting under Sections 313.847,
RSMo., Investigatory, Proprietary and Application
7 Records and 610.021(1), RSMo., Legal Actions and
Matters Subject to Attorney Client Privilege and Legal
8 Work Product, (3) & (13) Personnel, (12) Contracts and
(14) Records Protected from Disclosure by Law

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XII. Adjournment

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

2 (Meeting called to Order at 9:30 a.m.)

3 CHAIRMAN LEARA: We call the meeting of the
4 Gaming Commission to Order. Angie, please call the roll.

5 MS. FRANKS: Chairman Leara?

6 CHAIRMAN LEARA: Present.

7 MS. FRANKS: Commissioner Conway?

8 COMMISSIONER CONWAY: Present.

9 MS. FRANKS: Commissioner Hane?

10 COMMISSIONER HANE: Present.

11 MS. FRANKS: Commissioner Zimmerman?

12 COMMISSIONER ZIMMERMAN: Present.

13 CHAIRMAN LEARA: We have a quorum. I think we
14 will first give a moment of recognition to the families and
15 victims of Ulvade, Texas.

16 (Moment of silence.)

17 CHAIRMAN LEARA: All right. Thank you all.

18 Next item on the agenda is the Adoption of the Agenda. I
19 move for the approval, is there a second?

20 COMMISSIONER CONWAY: Second.

21 CHAIRMAN LEARA: There is a second. Any
22 discussion on the agenda? Seeing none, Angie call the
23 roll.

24 MS. FRANKS: Chairman Leara?

25 CHAIRMAN LEARA: Approved.

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1 MS. FRANKS: Commissioner Conway?

2 COMMISSIONER CONWAY: Approved.

3 MS. FRANKS: Commissioner Hane?

4 COMMISSIONER HANE: Approved.

5 MS. FRANKS: Commissioner Zimmerman?

6 COMMISSIONER ZIMMERMAN: Approved.

7 MS. FRANKS: By your vote you have adopted the
8 agenda.

9 CHAIRMAN LEARA: Next item on the agenda is
10 Team Member Recognition. I think we'll hear comments from
11 our Executive Director. Judge, you have the floor.

12 MS. RICHARDSON: Chairman, Commissioners,
13 guests, we don't really have a certificate to give out at
14 this time, but I do think that it is appropriate and it's
15 my pleasure to announce that one of our two uniformed
16 officers today, Lieutenant Ed Aylward, this will be his
17 last official duty for the Commission as he is retiring.
18 Lieutenant Aylward will have a formal retirement ceremony
19 later this month so I won't pull him from his post here
20 today. Lieutenant Aylward has spent 30 years with the
21 Missouri State Highway Patrol, 13 years with the Gaming
22 Division. We thank him for his time, for his service to
23 the Patrol, to the citizens of the state of Missouri, to
24 the Gaming industry, and to all of those patrons who are
25 involved in the Gaming industry.

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1 Lieutenant Aylward, I looked forward to
2 perhaps having some other comments later on in the week
3 that might not be appropriate for today. No, seriously, we
4 do thank him for his service. This is his last Commission
5 meeting. I just wanted you all to know that. Lieutenant
6 Aylward, thank you very much.

7 CHAIRMAN LEARA: Thank you, Judge.
8 Congratulations, Lieutenant.

9 Next item, Consideration of Minutes from
10 April 26 of 2022. I move for the approval, is there a
11 second?

12 COMMISSIONER CONWAY: Second.

13 CHAIRMAN LEARA: We have a second. Any
14 discussion on the minutes? Seeing none, Angie, call the
15 roll.

16 MS. FRANKS: Chairman Leara?

17 CHAIRMAN LEARA: Approved.

18 MS. FRANKS: Commissioner Conway?

19 COMMISSIONER CONWAY: Approved.

20 MS. FRANKS: Commissioner Hane?

21 COMMISSIONER HANE: Approved.

22 MS. FRANKS: Commissioner Zimmerman?

23 COMMISSIONER ZIMMERMAN: Approved.

24 MS. FRANKS: By your vote you have adopted the
25 Minutes of the April 26, 2022 meeting.

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1 CHAIRMAN LEARA: Next item are the Minutes
2 from April 27, 2022. I move for the approval and look for
3 a second.

4 COMMISSIONER CONWAY: Second.

5 CHAIRMAN LEARA: Second by Mr. Conway. Any
6 discussion? Seeing none, Angie, call the roll.

7 MS. FRANKS: Chairman Leara?

8 CHAIRMAN LEARA: Approved.

9 MS. FRANKS: Commissioner Conway?

10 COMMISSIONER CONWAY: Approved.

11 MS. FRANKS: Commissioner Hane?

12 COMMISSIONER HANE: Approved.

13 MS. FRANKS: Commissioner Zimmerman?

14 COMMISSIONER ZIMMERMAN: Approved.

15 MS. FRANKS: By your vote you have adopted the
16 Minutes of April 27, 2022 meeting.

17 CHAIRMAN LEARA: Next item on the agenda is
18 Hearing Officer Recommendation. Mr. Fawzy -- or I'm sorry,
19 Mr. Simon. Fawzy, you have the floor when you're ready.

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

21 Mr. Chairman, Members of the Commission, on March 27 of
22 this year, licensee Pure Quach, Q-u-a-c-h, participated in
23 a hearing where the Commission was represented by
24 Mr. Grewach. It was a hearing to determine whether or not
25 Mr. Quach should be subject to discipline.

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1 At that hearing, evidence was heard and burden
2 being on Mr. Quach, he failed to provide -- failed to meet
3 his burden of proof by clear and convincing evidence for
4 entering the gaming floor after being placed on the
5 Disassociated Persons List. However, the recommendation
6 was for a permanent revocation of his license. Based on
7 his lack of history in terms of discipline, his corporation
8 with the Highway Patrol officer, and significant level of
9 remorse and contrition on his part both in his application
10 and during the hearing, it was my finding, or my
11 recommendation, that his discipline be reduced to
12 suspension of his Level II license for a period of 30
13 calendar days.

14 CHAIRMAN LEARA: So for the record he was a
15 licensee but on the Disassociated Persons List?

16 MR. SIMON: Yes, Mr. Chairman.

17 CHAIRMAN LEARA: As a nonemployee in his
18 personal interaction?

19 MR. SIMON: Yes, sir.

20 CHAIRMAN LEARA: Okay. Mr. Grewach, do you
21 have anything to add?

22 MR. GREWACH: No, Your Honor -- or
23 Mr. Chairman.

24 CHAIRMAN LEARA: Mr. Simon, anything else?

25 MR. SIMON: No. Thank you, sir.

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1 CHAIRMAN LEARA: Any questions for Mr. Simon?

2 COMMISSIONER HANE: I have one.

3 CHAIRMAN LEARA: Mr. Hane.

4 COMMISSIONER HANE: He first volunteered to go
5 on the list in 2012?

6 MR. SIMON: Yes, sir. That's correct.

7 COMMISSIONER HANE: And then took himself off
8 of it in 2017?

9 MR. SIMON: Yes, sir.

10 COMMISSIONER HANE: So he was on the list for
11 five years and obeyed all of the rules, didn't go to any
12 casinos, didn't gamble or anything?

13 MR. SIMON: There was no evidence to that
14 effect. That's correct. I don't know that, but no
15 evidence was presented that he had violated any of the
16 rules of the DAP.

17 COMMISSIONER HANE: And then he went back on
18 in 2018?

19 MR. SIMON: Yes, sir.

20 COMMISSIONER HANE: So by rule, the second
21 time that he volunteers to go on then he's out; is that
22 right?

23 MR. SIMON: Yes, sir. That's a lifetime
24 placement on that list.

25 COMMISSIONER HANE: Okay. So then he's

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1 working at a casino but he's not gambling there. So he
2 goes to another casino and gambles and he gets caught?

3 MR. SIMON: Yes, sir.

4 COMMISSIONER HANE: And then as I understand
5 it he stated that he didn't understand the rules?

6 MR. SIMON: He did state that. I didn't take
7 that much into consideration due and only to the fact that
8 all licensees are presumed to know and understand the
9 rules, both of the DAP and all of the rules related to
10 gaming in Missouri.

11 COMMISSIONER HANE: But he understood for five
12 years from 2012 to 2017 but then he forgot them after 2018?

13 MR. SIMON: That was his sworn testimony, yes,
14 sir.

15 COMMISSIONER HANE: Okay. Thank you.

16 MR. SIMON: Thank you, sir.

17 CHAIRMAN LEARA: Okay. Any other questions
18 for Mr. Simon? Okay. Mr. Simon, thank you.

19 MR. SIMON: Thank you, Mr. Chairman.

20 CHAIRMAN LEARA: So any other discussion on
21 the issue?

22 MR. GREWACH: Mr. Chairman, I might also state
23 for the record that Mr. Quach is not present today.

24 CHAIRMAN LEARA: He is not. That would have
25 been the next question. Thank you. Further discussion?

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1 Okay. All right. Seeing none, I move for the approval of
2 Resolution No. 22-030 and look for a second.

3 COMMISSIONER CONWAY: Second.

4 CHAIRMAN LEARA: Second by Mr. Conway. Any
5 other discussion? Seeing none, Angie, call the roll.

6 COMMISSIONER HANE: Okay. So the motion is 30
7 days rather than revocation?

8 CHAIRMAN LEARA: That's right. Is that
9 correct, Mr. Grewach?

10 MR. GREWACH: That's correct.

11 CHAIRMAN LEARA: So the licensee will have a
12 30 day suspension -- it is a suspension?

13 MR. GREWACH: Suspension, correct.

14 CHAIRMAN LEARA: Versus revocation. Do you
15 have anything else to add? Okay. Angie, call the roll.

16 MS. FRANKS: Chairman Leara?

17 CHAIRMAN LEARA: Approved.

18 MS. FRANKS: Commissioner Conway?

19 COMMISSIONER CONWAY: Approved.

20 MS. FRANKS: Commissioner Hane?

21 COMMISSIONER HANE: Not approve.

22 MS. FRANKS: Commissioner Zimmerman?

23 COMMISSIONER ZIMMERMAN: Approved.

24 MS. FRANKS: By your vote you've adopted
25 Resolution No. 22-030.

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1 CHAIRMAN LEARA: Next item of Consideration of
2 Waiver of Licensure for Institutional Investor. Mr.
3 Grewach.

4 MR. GREWACH: Thank you. Chairman,
5 Commissioners, under Tab D we have a request from Capital
6 Research and Management Company for an Institutional
7 Investor Waiver. The company holds through its three
8 equity divisions a 17.05 interest in Gaming and Leisure
9 Property Incorporation, a Key Business Entity licensed by
10 Missouri Gaming Commission. The Capital Research and
11 Management Company is a registered investment adviser with
12 the Securities Exchange Commission and it has \$2.6 trillion
13 assets under Management.

14 CHAIRMAN LEARA: And 20 percent is the next
15 threshold we would take a high level of action?

16 MR. GREWACH: Right. The rule only allows for
17 them to acquire at 20 percent as an institutional investor.
18 If they go over 20 percent, they need to be licensed or,
19 theoretically, they could come to you and ask for a waiver
20 of that 20 percent.

21 CHAIRMAN LEARA: So this waiver request, is
22 that communication generally through you or is it someone
23 else in the --

24 MR. GREWACH: I think it first comes through
25 Licensing and then they forward it on to legal.

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1 CHAIRMAN LEARA: And do you communicate with
2 them?

3 MR. GREWACH: I do, yes.

4 CHAIRMAN LEARA: And do they have any
5 intention, that you're aware of, of breaching that
6 20 percent or coming close to it; do you know?

7 MR. GREWACH: Their attorney did talk to me
8 about what the process would be if they did intend to go
9 over that 20 percent and I kind of walked them through.

10 CHAIRMAN LEARA: So we may visit this again in
11 the future?

12 MR. GREWACH: Right.

13 CHAIRMAN LEARA: So I will say that I think
14 our last meeting we did approve an over 20 percent
15 participation of a non-licensee on a waiver; is that
16 correct?

17 MR. GREWACH: That is correct, yes.

18 CHAIRMAN LEARA: All right. Any questions for
19 Mr. Grewach?

20 COMMISSIONER ZIMMERMAN: I do, Mr. Chairman.

21 CHAIRMAN LEARA: Yeah, go ahead.

22 COMMISSIONER ZIMMERMAN: Their percentage of
23 interest held on this waiver is just over 17 percent; is
24 that correct?

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

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1 COMMISSIONER ZIMMERMAN: So they are close.

2 CHAIRMAN LEARA: They are close. Why I
3 brought that up is I didn't know if -- was that a waiver of
4 last month that we approved?

5 MR. GREWACH: It was, correct. The Commission
6 has the authority to waiver any restriction in our
7 regulations. So what the Commission did in the last action
8 was to waiver that 20 percent cap and allow the
9 institutional investor to acquire 100 percent, basically,
10 in the instance of that company.

11 CHAIRMAN LEARA: Right. Under certain
12 circumstances, we approved that.

13 MR. GREWACH: Right.

14 CHAIRMAN LEARA: At the time that was my
15 consideration is if we approve this, now are we going to
16 have to waive this? We'll take this on an individual basis
17 because they adopted a model that was approved in another
18 regulatory environment; is that correct?

19 MR. GREWACH: It was. They adopted a model
20 that has been approved in Nevada. Now in Nevada they set
21 up a specific rule for how you do the VOTECO structure
22 that they presented to us. It was that specific set of
23 facts that the Commissioners looked at.

24 CHAIRMAN LEARA: Right. I would agree. So do
25 you envision us having to adopt some sort of policy or

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1 guardrails with this now that this is a second?

2 MR. GREWACH: Well, that will be a policy
3 decision for the Commissioners because, you know, we've had
4 one request. If they become, you know, if that becomes a
5 standard, particularly the oak tree model of ownership
6 becomes the standard, that was the route that Nevada had
7 planned. If we're going to do these, we're not just going
8 to do them individually ad hoc. We're going to say, okay,
9 here is all of the things you need to do. Here is your
10 guidelines. That's how Nevada approached it by adopting a
11 specific rule to permit that type of VOTECO structure.

12 CHAIRMAN LEARA: I hate to use concerning but
13 I'm going to keep an eye out because I don't want us to all
14 of a sudden open up the state to 100 percent ownership
15 without being licensed coming up with the VOTECO structure.
16 We've used it once but going forward, we'll see. Okay.
17 17 percent, no problem. All right. Any other discussion?
18 Okay. Seeing none, I move for the approval of Resolution
19 No. 22-031. Is there a second?

20 COMMISSIONER ZIMMERMAN: Second.

21 CHAIRMAN LEARA: Second Madam Zimmerman. Any
22 other discussion? Seeing none, Angie, call the roll.

23 MS. FRANKS: Chairman Leara?

24 CHAIRMAN LEARA: Approved.

25 MS. FRANKS: Commissioner Conway?

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1 COMMISSIONER CONWAY: Approved.

2 MS. FRANKS: Commissioner Hane?

3 COMMISSIONER HANE: Approved.

4 MS. FRANKS: Commissioner Zimmerman?

5 COMMISSIONER ZIMMERMAN: Approved.

6 MS. FRANKS: By your vote, you have adopted

7 Resolution No. 22-031.

8 CHAIRMAN LEARA: Next item on the agenda,

9 Consideration of Licensure of Level I/Key Applicants.

10 Sergeant McTheeney, you have the floor.

11 SGT. MCTHEENEY: Good morning, Mr. Chairman

12 and Commissioners. Missouri State Highway Patrol

13 Investigators and Missouri Gaming Commission Financial

14 Investigators conducted comprehensive background

15 investigations on several Key Person applicants. The

16 investigations were included, but not limited to, civil,

17 criminal, financial, general character inquiries that were

18 made in the jurisdictions where the applicants have lived,

19 worked, and frequented.

20 The following applicants are being presented

21 for your consideration: Louise Emile Alexandre Frederique

22 Marie de Cartier de Marchienne, Director, Brepols Group NV;

23 Paul Emile Marie de Cartier de Marchinne, Director, Brepols

24 Group NV; Arnaud Jean-Louis Ghislain de Cartier de

25 Marchienne, Director, Cartamundi NV; Paolo Basilico,

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1 Director, De Agostini S.p.A; Antonia Korsanos, Executive
2 Vice President, Scientific Games Corporation; Jean Desire
3 Marie Christiane Frederic Hubert de Somer, Director, Van
4 Genechten NV.

5 Investigative findings were provided to the
6 Missouri Gaming Commission Staff for their review, and
7 investigators are available to answer any questions you
8 might have.

9 CHAIRMAN LEARA: These were initial
10 licensures?

11 SGT. MCTHEENEY: Yes, sir.

12 CHAIRMAN LEARA: So these were the extensive?

13 SGT. MCTHEENEY: Yes, sir.

14 CHAIRMAN LEARA: Any questions for Sergeant
15 McTheeney?

16 COMMISSIONER HANE: I have one.

17 CHAIRMAN LEARA: All right. We are going to
18 go to Madam Zimmerman first.

19 COMMISSIONER ZIMMERMAN: I didn't mean to
20 trump you. Just a question. Obviously there was extensive
21 information about Ms. Korsanos and the investigation that
22 took place in Australia with a company that she had
23 previously worked for, Crown. I noticed that one of the
24 reports from the Australian Government wasn't received or
25 released to the public until after our interview of her.

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1 Was there any concern that there was additional information
2 that was revealed about any of her involvement in Crown
3 Resorts in that investigation?

4 SGT. MCTHEENEY: I'm going to refer to
5 Sergeant Sammy Seaton because he is the one that did the
6 investigation.

7 SGT. SEATON: There was not. The third report
8 you're referring to is the Perth Report. She was only
9 mentioned in the description of her job title. She was not
10 interviewed and she had no role in that investigation.

11 COMMISSIONER ZIMMERMAN: I know in the other
12 two reports that they spoke very highly of her but then
13 again in the third report that you mentioned, which was not
14 released until after our interview, I just wondered if
15 there was anything additional.

16 SGT. SEATON: No, ma'am.

17 CHAIRMAN LEARA: Further questions for either
18 one of the sergeants?

19 CHAIRMAN LEARA: Judge.

20 MS. RICHARDSON: Mr. Chairman, just a point of
21 clarification I think since the investigation was begun on
22 this case, Scientific Games became Light & Wonder
23 Incorporated and Ms. Korsanos, as the Executive Vice Chair,
24 of Light & Wonder. So her license, should the Commission
25 grant that, would reflect that as her position with Light &

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1 Wonder Incorporated.

2 CHAIRMAN LEARA: I believe there was somewhere
3 in the report it was clarified that she had no activity
4 within the company that was questionable at any time. The
5 company had trouble; wasn't that correct?

6 SGT. SEATON: Yes. You're referring to Crown?

7 CHAIRMAN LEARA: Yes.

8 SGT. SEATON: That's correct. She had no
9 involvement.

10 CHAIRMAN LEARA: Further discussion? Mr.
11 Hane, did you have a question?

12 COMMISSIONER HANE: Nope.

13 CHAIRMAN LEARA: All right. Seeing none,
14 thank you gentlemen. I move for the approval of Resolution
15 No. 22-032 Initial License. Is there a second?

16 COMMISSIONER HANE: Second.

17 CHAIRMAN LEARA: Second by Mr. Hane. Further
18 discussion? Seeing none, Angie, please call the roll.

19 MS. FRANKS: Chairman Leara?

20 CHAIRMAN LEARA: Approved.

21 MS. FRANKS: Commissioner Conway?

22 COMMISSIONER CONWAY: Approved.

23 MS. FRANKS: Commissioner Hane?

24 COMMISSIONER HANE: Approved.

25 CHAIRMAN LEARA: Commissioner Zimmerman?

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1 COMMISSIONER ZIMMERMAN: Approved.

2 MS. FRANKS: By your vote you have adopted
3 Resolution No. 22-032.

4 CHAIRMAN LEARA: All right. Next item on the
5 agenda, Consideration of Relicensure of Key Persons.
6 Sergeant Coulson, you have the floor.

7 SGT. COULSON: Mr. Chairman and Commissioners,
8 Missouri State Highway Patrol Investigators conducted
9 background investigation updates on Key Person License
10 renewals. The investigations included an application
11 review as well as, civil, criminal, and general character
12 inquiries made in the jurisdictions where the applicants
13 currently reside.

14 The following renewals are being presented for
15 your consideration: Arlene May Tansey, Non-Executive
16 Director, Aristocrat Leisure Limited; Linda Verlaine
17 Castle, Senior Vice President, AML Compliance, Caesars
18 Entertainment, Inc.; Maureen Therese Mullarkey-Miller,
19 Director, Everi Holdings, Inc.; Eileen Fein Raney,
20 Director, Everi Holdings, Inc.; Aaron Bradley Rosenthal,
21 Senior Vice President, Regional Operations, Penn National
22 Gaming, Inc.; Diana Fine Cantor, Director, VICI Properties,
23 Inc.

24 There are no pending requests for these
25 investigations. Investigative findings were provided to

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1 the Missouri Gaming Commission Staff for their review, and
2 I would be glad to answer any questions you may have. Thank
3 you.

4 CHAIRMAN LEARA: Any questions for Sergeant
5 Coulson? Madam Zimmerman.

6 COMMISSIONER ZIMMERMAN: I might have missed
7 this, Sergeant Coulson, was there a Rebecca Ann Hutchison
8 on our report originally? Did I miss her name?

9 SGT. COULSON: Was she a Level I?

10 CHAIRMAN LEARA: So it's on the iPad as
11 "Licensed Applicant." Sergeant Coulson, how many did you
12 have on your list?

13 SGT. COULSON: I have six on my list.

14 CHAIRMAN LEARA: I have seven. So for the
15 Resolution, what do we have?

16 SGT. COULSON: So that one is complete. I
17 would have to look and see.

18 CHAIRMAN LEARA: It is complete. The
19 Resolution is correct, Mr. Grewach?

20 MR. GREWACH: Yes.

21 CHAIRMAN LEARA: So there are seven with --
22 I'm sorry, Commissioner, which one?

23 COMMISSIONER ZIMMERMAN: Rebecca Ann
24 Hutchison.

25 CHAIRMAN LEARA: So we'll make note that

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1 Rebecca Ann Hutchison is on the Applicant List, Exhibit A,
2 that we're voting on. Any other questions? Seeing none,
3 Sergeant, thank you. All right. With that, I move for the
4 approval of Resolution No. 22-033, Relicensure of seven.
5 Is there any other discussion? All right. Do we have a
6 second? Looking for a second.

7 COMMISSIONER ZIMMERMAN: Second.

8 CHAIRMAN LEARA: Second by Commissioner
9 Zimmerman. Any other discussion? Seeing none, Angie call
10 the roll.

11 MS. FRANKS: Chairman Leara?

12 CHAIRMAN LEARA: Approved.

13 MS. FRANKS: Commissioner Conway?

14 COMMISSIONER CONWAY: Approved.

15 MS. FRANKS: Commissioner Hane?

16 COMMISSIONER HANE: Approved.

17 MS. FRANKS: Commissioner Zimmerman?

18 COMMISSIONER ZIMMERMAN: Approved.

19 MS. FRANKS: By your vote you have adopted
20 Resolution No. 22-033.

21 CHAIRMAN LEARA: Next item on the agenda,
22 Consideration of Bingo Settlement. Mr. Grewach.

23 COMMISSIONER ZIMMERMAN: Thank you,
24 Mr. Chairman. Under Tab G we have a settlement of a bingo
25 discipline against VFW Auxiliary 2654 in Moberly, Missouri.

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1 There are two rules involved: 30.1401, which prohibits a
2 bingo worker from playing while working; and 30.1403, which
3 prohibits bingo workers from purchasing pull tabs and
4 having another person play them.

5 On January 18, Missouri Gaming Commission
6 received a complaint that one of the licensee's bingo
7 workers was also buying, playing, and collecting pull tabs
8 while working during bingo games. This was the fourth
9 complaint of this type since April of 2019.

10 On February 6, 2022, two Missouri Gaming
11 Commission employees attended the licensee's bingo event
12 and observed a bingo worker buying pull tabs and giving
13 them to another player to play. That player then gave the
14 winnings to the bingo worker. They also observed that same
15 bingo worker giving money to another worker to buy pull
16 tabs for her and playing those pull tabs while the bingo
17 game was going on. The Bingo DRB recommended a fine of
18 \$1,000.00 to be paid out of non-bingo funds. The licensee
19 has agreed to settle for that amount and has agreed to pay
20 that amount.

21 CHAIRMAN LEARA: All right. Questions for
22 Mr. Grewach? Who goes first? Commissioner Conway.

23 COMMISSIONER CONWAY: So it's happened four
24 times in the last three years or complaints have been filed
25 four times?

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1 MR. GREWACH: Four times. The first one in
2 April of '19, we actually went there and observed it
3 happening and just sent a letter to them about that. The
4 second time we had a complaint, we didn't see any
5 violations. The third time we had a complaint, the game
6 was canceled due to COVID. This was the fourth time that
7 it occurred. We actually did receive another complaint
8 afterwards. After this investigation was completed, we
9 received a complaint on February 4 of this year, but we
10 have not, you know, obviously followed up on that since
11 this was pending.

12 COMMISSIONER CONWAY: Okay. Do you know if
13 this involved the same individual on several occasions or
14 was it just a --

15 MR. GREWACH: I would like to refer that
16 question to the Charitable Games Manager, Barb Whittle.

17 MS. WHITTLE: Barbara Whittle, Charitable Games
18 Manager. The person who committed the violation was not
19 the same person in the instances, but many of the people
20 who were managing the game were the same managers.

21 COMMISSIONER CONWAY: I guess my conclusion
22 with what has been presented is that I would imagine that
23 they are pulling these tabs when there is not a whole lot
24 of them left or were they just doing it with the same odds
25 that the normal patron would have?

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1 MS. WHITTLE: The same odds that the normal
2 patron would have.

3 COMMISSIONER CONWAY: So they weren't looking
4 for a big pay off on the final hundred tickets or stubs?

5 MS. WHITTLE: No.

6 COMMISSIONER CONWAY: All right. That's all
7 the questions I have -- I guess one last one. With the
8 Auxillary, wouldn't they know that their membership were
9 the ones who were receiving the benefits from this? I
10 mean, if there was one, they would go ahead and pay it? I
11 guess what I'm saying is they had to be aware that their
12 own employees -- their own licensed people were doing this,
13 correct?

14 MS. WHITTLE: Well, the members that were at
15 the game were aware of it, yes.

16 COMMISSIONER CONWAY: Thank you.

17 CHAIRMAN LEARA: Commissioner Zimmerman?

18 COMMISSIONER ZIMMERMAN: I guess my question
19 perhaps for Mr. Grewach, you mentioned there was another
20 complaint that's still pending but you knew that this was
21 kind of in the works. Would we potentially see them back
22 before us for another disciplinary action based on
23 additional complaint?

24 MR. GREWACH: I would again refer to Ms.
25 Whittle.

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1 MS. WHITTLE: I can go. So often times what we
2 will do in a situation like this is once the discipline is
3 handed down, we will wait a length of time and then
4 representatives will go again and observe their game,
5 whether we get an additional complaint or whether we don't,
6 to see if the discipline had the desired effect.

7 COMMISSIONER ZIMMERMAN: So ordinarily there
8 isn't multiple violations that would result in a higher
9 penalty?

10 MS. WHITTLE: Well, I feel like that happened
11 in this case. We started with the letter. We talked with
12 them and the continued violations resulted in the fine.

13 CHAIRMAN LEARA: Commissioner Hane, anything?
14 All right. Any other questions for Barb? Any questions
15 for Mr. Grewach? All right. I'm going to make a motion
16 and then I'm going to talk about it. Barb, thank you. So
17 I will make a motion to approve. Is there a second and
18 then we'll have a discussion.

19 COMMISSIONER HANE: Second.

20 CHAIRMAN LEARA: All right. \$1,000.00 is
21 not -- is that your thought?

22 COMMISSIONER ZIMMERMAN: That was my feeling
23 too. Multiple violations and then something still pending.
24 It's been a lot of work on the part of the employees to go
25 back again and make sure they are behaving.

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1 CHAIRMAN LEARA: So it's not the same
2 industry, but we've had casinos with large fines for
3 multiple violations. You know, \$5,000.00 is on the light
4 end of these things; \$10,000 and \$20,000.00 is the norm.
5 Not to say that should be here. It's a much lower revenue
6 stream, I'm sure. Do do we know their volume?

7 MR. GREWACH: I would have to call on
8 Ms. Whittle. I'm sorry, Barb, you can come to that
9 microphone.

10 MS. WHITTLE: It is a much smaller scale. In
11 situations like this, what we do is we require them to pay
12 that fee out of non-bingo funds. So for an organization
13 like this where the Post and Auxillary both play, bingo is
14 a big, big chunk of their revenue. So for them to have to
15 come up with that from other funds is a pretty good hit for
16 them. So I feel like this is a good starting spot for them
17 at this time.

18 CHAIRMAN LEARA: All right. Barb, thank you.
19 Mr. Conway?

20 COMMISSIONER CONWAY: What would average the
21 fine on just say an initial complaint or a proven complaint
22 against a bingo operation? Would it start out at -- we
23 don't just start out at \$1,000.00 do we?

24 MS. WHITTLE: No. This is a pretty substantial
25 fine for a bingo organization based on my experience here.

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1 We fine other organizations for various illegal gambling
2 things, but this is a pretty good fine for a bingo
3 organization especially starting out.

4 COMMISSIONER CONWAY: Okay. Thank you.

5 CHAIRMAN LEARA: I'm satisfied with that if
6 you are. Okay. Everyone is? Okay. We have the motion
7 and a second. Any other discussion? Angie, call the roll.

8 MS. FRANKS: Chairman Leara?

9 CHAIRMAN LEARA: Approved.

10 MS. FRANKS: Commissioner Conway?

11 COMMISSIONER CONWAY: Approved.

12 MS. FRANKS: Commissioner Hane?

13 COMMISSIONER HANE: Approved.

14 MS. FRANKS: Commissioner Zimmerman?

15 COMMISSIONER ZIMMERMAN: Approved.

16 MS. FRANKS: By your vote, you have adopted
17 Resolution No. 22-001-B.

18 CHAIRMAN LEARA: Before we move on to the next
19 item, we set the tone, Barb, that if we see them back here
20 again it's not going to be pretty. All right. Next item
21 on the agenda, Consideration of Rules and Regulations. Mr.
22 Grewach.

23 MR. GREWACH: Thank you, Mr. Chairman. Under
24 Tab H we have Final Orders of Rulemaking dealing with card
25 and dice handling. The Commission approved the Proposed

1 Orders -- Proposed Rules at the January 19 meeting. There
2 was a 30-day written comment period which ended March 31,
3 2022. There was a public hearing on April 6, 2022. We
4 received no written comments and no one attended the public
5 hearing. The -- if you approve this final order of
6 rulemaking -- well first of all let me say it was approved
7 by the Governor's office on January 3. We received
8 approval on the final rules on May 17. If -- all three of
9 these rules, again, deal with card and dice table games.
10 If you approve these final orders of rulemaking, the rules
11 become effective on September 30, 2022.

12 CHAIRMAN LEARA: All right. Any questions for
13 Mr. Grewach? All right. Seeing none, I move for the
14 approval of Resolution No. 22-034. Is there a second?

15 COMMISSIONER HANE: Second.

16 CHAIRMAN LEARA: Second by Mr. Hane. Any
17 other discussion? Seeing none, Angie, call the roll.

18 MS. FRANKS: Chairman Leara?

19 CHAIRMAN LEARA: Approved.

20 MS. FRANKS: Commissioner Conway?

21 COMMISSIONER CONWAY: Approved.

22 MS. FRANKS: Commissioner Hane?

23 COMMISSIONER HANE: Approved.

24 MS. FRANKS: Commissioner Zimmerman?

25 COMMISSIONER ZIMMERMAN: Approved.

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1 MS. FRANKS: By your vote you have adopted
2 Resolution No. 22-034.

3 CHAIRMAN LEARA: All right. Mr. Grewach.

4 MR. GREWACH: Yes. Under Tab I we have nine
5 items that deal with -- which are final orders of
6 rulemaking relating to cashless wagering. You approved the
7 proposed rules February 23, 2022. Cashless wagering is a
8 process that allows a patron to transfer money from an app
9 on their phone to play a slot machine or to obtain chips at
10 a table game. It also allows the patron to transfer the
11 winnings back up to their phone app. The patron must be a
12 member of the casino's Players Club in order to use this
13 cashless wagering system. They have to download the Player
14 Club app on their phone and then they setup their digital
15 wallet. A separate company, such as Everi or Sightline
16 will then open up a digital wallet. The patron will
17 transfer funds to the digital wallet. The digital wallet
18 holder will deposit those funds into an FDIC insured bank.
19 The companies that setup the digital wallets are licensed
20 by the federal government as money business services and
21 they are subject to all of the banking regulations,
22 including the Bank Secrecy Act. The benefits in addition
23 are in responsible gaming because you cannot obtain a
24 Players Card if you are on the DAP List.

25 In addition to the DAP List, these systems all

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1 of a functionality that allows the patron to set a daily or
2 weekly cap on what they spend and will cut them off if they
3 reach that cap. Several of them also just give you a
4 constant dashboard on your phone when you open it to show
5 how much you spent this week, this year, this month. So
6 the other benefit is will help reduce money laundering.
7 Obviously, cash is the main culprit in the money laundering
8 schemes. It will also benefit the patron in that they
9 don't have to carry a large amount of cash around for
10 whatever security risk that might present to them. The
11 systems are set up to where the patron opens the app on the
12 phone, they will see any offers they receive from the
13 casino. Let's say a \$20.00 free slot play, they will see
14 the points they have accumulated in the Player Reward
15 System and they will see whatever money they have in their
16 digital wallet. They will be able to spend or use
17 whichever one of those free resources that they wish to.

18 If you approve these -- there were some
19 comments on the public comment period, though no one did
20 appear at the public hearing. The written comments we
21 received during the public comment period do appear on your
22 Final Orders of Rulemaking, along with the suggested
23 changes from the Staff on those. If you approve these
24 Final Orders of Rulemaking, they will have an effective
25 date of September 30, 2022.

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1 CHAIRMAN LEARA: Okay. Questions for
2 Mr. Grewach?

3 COMMISSIONER ZIMMERMAN: Just one,
4 Mr. Chairman.

5 CHAIRMAN LEARA: Madam Zimmerman.

6 COMMISSIONER ZIMMERMAN: The comments that you
7 mentioned I noticed were both from Penn Gaming. Is that
8 fairly common, since I'm relatively new, for casinos or
9 companies such as Penn Gaming to come out in support of
10 rule changes or is that usually the standard?

11 MR. GREWACH: I haven't it in the time I have
12 been here. Probably to follow up a little further because
13 you you'll rarely actually see comments to our Final Orders
14 of Rulemaking because we involve the industry even in the
15 drafting process. So in this particular case we sent the
16 rules back twice to the industry for comments. The first
17 set they had several comments and we made some changes and
18 sent them back to them to make sure we were on a page where
19 we were both acceptable to what we were doing. So other
20 than this comment Penn generously makes in support of this
21 rule making, they didn't have any negative comments because
22 we had already dealt with all of those.

23 COMMISSIONER ZIMMERMAN: Thank you.

24 CHAIRMAN LEARA: Any other questions?
25 Mr. Conway.

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1 COMMISSIONER CONWAY: I guess, you know, after
2 going to school, are we aware of any instances in other
3 states where there is glitches or are we pretty compatible
4 with what the other states that have already adopted this?

5 MR. GREWACH: Yes. I'm not aware of any
6 glitches. I can't say they didn't happen. Obviously when
7 we drafted these we looked at several other states that had
8 them in place or were in the process of drafting them. I
9 believe we are relatively similar to all of the other
10 jurisdictions that regulate this.

11 COMMISSIONER CONWAY: Thank you.

12 CHAIRMAN LEARA: Okay. Any other discussion?
13 Seeing none, I move for the approval of Resolution No.
14 22-035 and look for a second.

15 COMMISSIONER CONWAY: Second.

16 CHAIRMAN LEARA: Second by Mr. Conway. Any
17 other discussion? Seeing none, Angie, call the roll.

18 MS. FRANKS: Chairman Leara?

19 CHAIRMAN LEARA: Approved.

20 MS. FRANKS: Commissioner Conway?

21 COMMISSIONER CONWAY: Approved.

22 MS. FRANKS: Commissioner Hane?

23 COMMISSIONER HANE: Approved.

24 MS. FRANKS: Commissioner Zimmerman?

25 COMMISSIONER ZIMMERMAN: Approved.

0034

1 MS. FRANKS: By your vote you have adopted
2 Resolution No. 22-035.

3 CHAIRMAN LEARA: Okay. Next item on the
4 agenda I will move for -- I make a Motion for Closed
5 Meeting under Sections 313.867, RSMo, Investigatory,
6 Proprietary and Application Records, and Section
7 610.021(1), RSMo Legal Actions and Matters subject to
8 Attorney Client Privilege and Legal Work Product, (3)and
9 (13) Personnel, (12) Contracts and (14) Records Protected
10 by Law. Is there a second?

11 COMMISSIONER ZIMMERMAN: Second.

12 CHAIRMAN LEARA: We have a second. Any other
13 discussion? Seeing none, Angie, call the roll.

14 MS. FRANKS: Chairman Leara?

15 CHAIRMAN LEARA: Approved.

16 MS. FRANKS: Commissioner Conway?

17 COMMISSIONER CONWAY: Approved.

18 MS. FRANKS: Commissioner Hane?

19 COMMISSIONER HANE: Approved.

20 MS. FRANKS: Commissioner Zimmerman?

21 COMMISSIONER ZIMMERMAN: Approved.

22 MS. FRANKS: We are in closed session.

23 (Meeting adjourned at 10:11 a.m.)

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CERTIFICATE OF REPORTER

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

I, Jenna Petree, do hereby certify that the witness whose testimony appears in the foregoing deposition 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 deposition 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.

Court Reporter

MISSOURI GAMING COMMISSION
Second Open Session Minutes
May 25, 2022

The Missouri Gaming Commission (the “Commission”) went into the second open session at approximately 11:15 a.m. on May 25, 2022, at the Missouri Gaming Commission, 3417 Knipp Drive, Jefferson City, Missouri.

Chairman Leara moved to adjourn the open session. Commissioner Zimmerman seconded the motion, and after a roll call vote was taken, Leara – yes, Conway – yes Hane – yes and Zimmerman – yes, the motion passed unanimously.

The open session meeting ended at 11:16 a.m.