BEFORE THE MISSOURI GAMING COMMISSION

Meeting

May 25, 2022
Missouri Gaming Commission
3417 Knipp Drive
Jefferson City, Missouri

Present:
Mike Leara - Chairman
Pat Conway - Commissioner
David Hane - Commissioner
Jan Zimmerman - Commissioner
Peggy Richardson - Executive Director

THE COURT REPORTER:
Jenna Petree
LEXITAS LEGAL
2511 Broadway Bluffs
Columbia, MO 65201
573-449-0561
I. Call to Order
II. Adoption of Agenda
III. Team Member Recognition
IV. Consideration of Minutes
   A. April 26, 2022
   B. April 27, 2022
V. Consideration of Hearing Officer Recommendation
   C. Pure Quach
      1. Resolution No. 22-030
VI. Consideration of Waiver of Licensure for Institutional Investor
      D. Capital Research and Management Company
         1. Resolution No. 22-030
VII. Consideration of Licensure for Level I/Key Applicants
     E. Resolution No. 22-032
VIII. Consideration of Relicensure of Key Persons
      F. Resolution No. 22-033
IX. Consideration of Bingo Settlement
     G. VFW Auxiliary 2654
        1. Resolution No. 22-001-B
X. Consideration of Rules and Regulations
   H. Final Orders of Rulemaking
      1. 11 CSR 45-5.184 - Table Game Cards - Receipt, Storage, Inspections, and Removal from Use.
      2. 11 CSR 45-5.264 - Dice - Receipt, Storage, Inspections and Removal from Use
      3. 11 CSR 45-9.104 - Minimum Internal Control Standards (MICS) Chapter D
         a. Resolution No. 22-034
I. Final Orders of Rulemaking (Cashless)
   1. 11 CSR 45-1.090 - Definitions
   2. 11 CSR 45-5.190 - Minimum Standards for Electronic Gaming Devices
   3. 11 CSR 45-5.210 - Integrity of Electronic Gaming Devices
   4. 11 CSR 45-5.215 - Cashless Promotional, and Bonusing Systems
   5. 11 CSR 45-5.225 - Request for Approval of Gaming
6. 11 CSR 45-9.108 - Minimum Internal Control Standards (MICS) Chapter H
7. 11 CSR 45-9.118 - Minimum Internal Control Standards (MICS) Chapter R
8. 11 CSR 45-9.119 - Minimum Internal Control Standards (MICS) Chapter S
9. 11 CSR 45-9.121 - Minimum Internal Control Standards (MICS) Chapter U
   a. Resolution No. 22.035
XI. Motion for Closed Meeting under Sections 313.847, RSMo., Investigatory, Proprietary and Application Records and 610.021(1), RSMo., Legal Actions and Matters Subject to Attorney Client Privilege and Legal Work Product, (3) & (13) Personnel, (12) Contracts and (14) Records Protected from Disclosure by Law
XII. Adjournment
PROCEEDINGS

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

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

MS. FRANKS: Chairman Leara?

CHAIRMAN LEARA: Present.

MS. FRANKS: Commissioner Conway?

COMMISSIONER CONWAY: Present.

MS. FRANKS: Commissioner Hane?

COMMISSIONER HANE: Present.

MS. FRANKS: Commissioner Zimmerman?

COMMISSIONER ZIMMERMAN: Present.

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

(Moment of silence.)

CHAIRMAN LEARA: All right. Thank you all.

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

COMMISSIONER CONWAY: Second.

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

MS. FRANKS: Chairman Leara?

CHAIRMAN LEARA: Approved.
MS. FRANKS: Commissioner Conway?

COMMISSIONER CONWAY: Approved.

MS. FRANKS: Commissioner Hane?

COMMISSIONER HANE: Approved.

MS. FRANKS: Commissioner Zimmerman?

COMMISSIONER ZIMMERMAN: Approved.

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

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

MS. RICHARDSON: Chairman, Commissioners, guests, we don't really have a certificate to give out at this time, but I do think that it is appropriate and it's my pleasure to announce that one of our two uniformed officers today, Lieutenant Ed Aylward, this will be his last official duty for the Commission as he is retiring. Lieutenant Aylward will have a formal retirement ceremony later this month so I won't pull him from his post here today. Lieutenant Aylward has spent 30 years with the Missouri State Highway Patrol, 13 years with the Gaming Division. We thank him for his time, for his service to the Patrol, to the citizens of the state of Missouri, to the Gaming industry, and to all of those patrons who are involved in the Gaming industry.
Lieutenant Aylward, I looked forward to perhaps having some other comments later on in the week that might not be appropriate for today. No, seriously, we do thank him for his service. This is his last Commission meeting. I just wanted you all to know that. Lieutenant Aylward, thank you very much.

CHAIRMAN LEARA: Thank you, Judge.

Congratulations, Lieutenant.

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

COMMISSIONER CONWAY: Second.

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

MS. FRANKS: Chairman Leara?

CHAIRMAN LEARA: Approved.

MS. FRANKS: Commissioner Conway?

COMMISSIONER CONWAY: Approved.

MS. FRANKS: Commissioner Hane?

COMMISSIONER HANE: Approved.

MS. FRANKS: Commissioner Zimmerman?

COMMISSIONER ZIMMERMAN: Approved.

MS. FRANKS: By your vote you have adopted the Minutes of the April 26, 2022 meeting.
CHAIRMAN LEARA: Next item are the Minutes from April 27, 2022. I move for the approval and look for a second.

COMMISSIONER CONWAY: Second.

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

MS. FRANKS: Chairman Leara?

CHAIRMAN LEARA: Approved.

MS. FRANKS: Commissioner Conway?

COMMISSIONER CONWAY: Approved.

MS. FRANKS: Commissioner Hane?

COMMISSIONER HANE: Approved.

MS. FRANKS: Commissioner Zimmerman?

COMMISSIONER ZIMMERMAN: Approved.

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

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

MR. GREWACH: Thank you, Mr. Chairman.

Mr. Chairman, Members of the Commission, on March 27 of this year, licensee Pure Quach, Q-u-a-c-h, participated in a hearing where the Commission was represented by Mr. Grewach. It was a hearing to determine whether or not Mr. Quach should be subject to discipline.
At that hearing, evidence was heard and burden being on Mr. Quach, he failed to provide -- failed to meet his burden of proof by clear and convincing evidence for entering the gaming floor after being placed on the Disassociated Persons List. However, the recommendation was for a permanent revocation of his license. Based on his lack of history in terms of discipline, his corporation with the Highway Patrol officer, and significant level of remorse and contrition on his part both in his application and during the hearing, it was my finding, or my recommendation, that his discipline be reduced to suspension of his Level II license for a period of 30 calendar days.

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

MR. SIMON: Yes, Mr. Chairman.

CHAIRMAN LEARA: As a nonemployee in his personal interaction?

MR. SIMON: Yes, sir.

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

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

CHAIRMAN LEARA: Mr. Simon, anything else?

MR. SIMON: No. Thank you, sir.
CHAIRMAN LEARA: Any questions for Mr. Simon?

COMMISSIONER HANE: I have one.

CHAIRMAN LEARA: Mr. Hane.

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

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

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

MR. SIMON: Yes, sir.

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

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

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

MR. SIMON: Yes, sir.

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

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

COMMISSIONER HANE: Okay. So then he's
working at a casino but he's not gambling there. So he
goes to another casino and gambles and he gets caught?

MR. SIMON: Yes, sir.

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

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

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

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

COMMISSIONER HANE: Okay. Thank you.

MR. SIMON: Thank you, sir.

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

MR. SIMON: Thank you, Mr. Chairman.

CHAIRMAN LEARA: So any other discussion on
the issue?

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

CHAIRMAN LEARA: He is not. That would have
been the next question. Thank you. Further discussion?
Okay. All right. Seeing none, I move for the approval of Resolution No. 22-030 and look for a second.

COMMISSIONER CONWAY: Second.

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

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

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

MR. GREWACH: That's correct.

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

MR. GREWACH: Suspension, correct.

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

MS. FRANKS: Chairman Leara?

CHAIRMAN LEARA: Approved.

MS. FRANKS: Commissioner Conway?

COMMISSIONER CONWAY: Approved.

MS. FRANKS: Commissioner Hane?

COMMISSIONER HANE: Not approve.

MS. FRANKS: Commissioner Zimmerman?

COMMISSIONER ZIMMERMAN: Approved.

MS. FRANKS: By your vote you've adopted Resolution No. 22-030.
CHAIRMAN LEARA: Next item of Consideration of Waiver of Licensure for Institutional Investor. Mr. Grewach.

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

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

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

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

MR. GREWACH: I think it first comes through Licensing and then they forward it on to legal.
CHAIRMAN LEARA: And do you communicate with them?

MR. GREWACH: I do, yes.

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

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

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

MR. GREWACH: Right.

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

MR. GREWACH: That is correct, yes.

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

COMMISSIONER ZIMMERMAN: I do, Mr. Chairman.

CHAIRMAN LEARA: Yeah, go ahead.

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

MR. GREWACH: That's correct, yes.
COMMISSIONER ZIMMERMAN: So they are close.

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

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

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

MR. GREWACH: Right.

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

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

CHAIRMAN LEARA: Right. I would agree. So do
you envision us having to adopt some sort of policy or
guardrails with this now that this is a second?

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

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

COMMISSIONER ZIMMERMAN: Second.

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

MS. FRANKS: Chairman Leara?

CHAIRMAN LEARA: Approved.

MS. FRANKS: Commissioner Conway?
COMMISSIONER CONWAY: Approved.
MS. FRANKS: Commissioner Hane?
COMMISSIONER HANE: Approved.
MS. FRANKS: Commissioner Zimmerman?
COMMISSIONER ZIMMERMAN: Approved.
MS. FRANKS: By your vote, you have adopted Resolution No. 22-031.
CHAIRMAN LEARA: Next item on the agenda, Consideration of Licensure of Level I/Key Applicants.
Sergeant McTheeney, you have the floor.
SGT. MCTHEENEY: Good morning, Mr. Chairman and Commissioners. Missouri State Highway Patrol Investigators and Missouri Gaming Commission Financial Investigators conducted comprehensive background investigations on several Key Person applicants. The investigations were included, but not limited to, civil, criminal, financial, general character inquiries that were made in the jurisdictions where the applicants have lived, worked, and frequented.

The following applicants are being presented for your consideration: Louise Emile Alexandre Frederique Marie de Cartier de Marchienne, Director, Brepols Group NV; Paul Emile Marie de Cartier de Marchinne, Director, Brepols Group NV; Arnaud Jean-Louis Ghislain de Cartier de Marchienne, Director, Cartamundi NV; Paolo Basilico,
Investigative findings were provided to the Missouri Gaming Commission Staff for their review, and investigators are available to answer any questions you might have.

CHAIRMAN LEARA: These were initial licensures?

SGT. MCTHEENENY: Yes, sir.

CHAIRMAN LEARA: So these were the extensive?

SGT. MCTHEENENY: Yes, sir.

CHAIRMAN LEARA: Any questions for Sergeant McTheeney?

COMMISSIONER HANE: I have one.

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

COMMISSIONER ZIMMERMAN: I didn't mean to trump you. Just a question. Obviously there was extensive information about Ms. Korsanos and the investigation that took place in Australia with a company that she had previously worked for, Crown. I noticed that one of the reports from the Australian Government wasn't received or released to the public until after our interview of her.
Was there any concern that there was additional information that was revealed about any of her involvement in Crown Resorts in that investigation?

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

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

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

SGT. SEATON: No, ma'am.

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

CHAIRMAN LEARA: Judge.

MS. RICHARDSON: Mr. Chairman, just a point of clarification I think since the investigation was begun on this case, Scientific Games became Light & Wonder Incorporated and Ms. Korsanos, as the Executive Vice Chair, of Light & Wonder. So her license, should the Commission grant that, would reflect that as her position with Light &
CHAIRMAN LEARA: I believe there was somewhere in the report it was clarified that she had no activity within the company that was questionable at any time. The company had trouble; wasn't that correct?

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

CHAIRMAN LEARA: Yes.

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

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

COMMISSIONER HANE: Nope.

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

COMMISSIONER HANE: Second.

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

MS. FRANKS: Chairman Leara?

CHAIRMAN LEARA: Approved.

MS. FRANKS: Commissioner Conway?

COMMISSIONER CONWAY: Approved.

MS. FRANKS: Commissioner Hane?

COMMISSIONER HANE: Approved.

CHAIRMAN LEARA: Commissioner Zimmerman?
COMMISSIONER ZIMMERMAN: Approved.

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

CHAIRMAN LEARA: All right. Next item on the agenda, Consideration of Relicensure of Key Persons.

Sergeant Coulson, you have the floor.

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

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

There are no pending requests for these investigations. Investigative findings were provided to
the Missouri Gaming Commission Staff for their review, and
I would be glad to answer any questions you may have. Thank
you.

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

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

SGT. COULSON: Was she a Level I?

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

SGT. COULSON: I have six on my list.

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

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

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

MR. GREWACH: Yes.

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

COMMISSIONER ZIMMERMAN: Rebecca Ann
Hutchison.

CHAIRMAN LEARA: So we'll make note that
Rebecca Ann Hutchison is on the Applicant List, Exhibit A, that we're voting on. Any other questions? Seeing none, Sergeant, thank you. All right. With that, I move for the approval of Resolution No. 22-033, Relicensure of seven. Is there any other discussion? All right. Do we have a second? Looking for a second.

COMMISSIONER ZIMMERMAN: Second.

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

MS. FRANKS: Chairman Leara?

CHAIRMAN LEARA: Approved.

MS. FRANKS: Commissioner Conway?

COMMISSIONER CONWAY: Approved.

MS. FRANKS: Commissioner Hane?

COMMISSIONER HANE: Approved.

MS. FRANKS: Commissioner Zimmerman?

COMMISSIONER ZIMMERMAN: Approved.

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

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

COMMISSIONER ZIMMERMAN: Thank you, Mr. Chairman. Under Tab G we have a settlement of a bingo discipline against VFW Auxiliary 2654 in Moberly, Missouri.
There are two rules involved: 30.1401, which prohibits a bingo worker from playing while working; and 30.1403, which prohibits bingo workers from purchasing pull tabs and having another person play them.

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

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


COMMISSIONER CONWAY: So it's happened four times in the last three years or complaints have been filed four times?
MR. GREWACH: Four times. The first one in April of '19, we actually went there and observed it happening and just sent a letter to them about that. The second time we had a complaint, we didn't see any violations. The third time we had a complaint, the game was canceled due to COVID. This was the fourth time that it occurred. We actually did receive another complaint afterwards. After this investigation was completed, we received a complaint on February 4 of this year, but we have not, you know, obviously followed up on that since this was pending.

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

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

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

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

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

MS. WHITTLE: No.

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

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

COMMISSIONER CONWAY: Thank you.

CHAIRMAN LEARA: Commissioner Zimmerman?

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

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

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

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

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

COMMISSIONER HANE: Second.

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

COMMISSIONER ZIMMERMAN: That was my feeling too. Multiple violations and then something still pending. It's been a lot of work on the part of the employees to go back again and make sure they are behaving.
CHAIRMAN LEARA: So it's not the same industry, but we've had casinos with large fines for multiple violations. You know, $5,000.00 is on the light end of these things; $10,000 and $20,000.00 is the norm. Not to say that should be here. It's a much lower revenue stream, I'm sure. Do do we know their volume?

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

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

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

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

MS. WHITTLE: No. This is a pretty substantial fine for a bingo organization based on my experience here.
We fine other organizations for various illegal gambling things, but this is a pretty good fine for a bingo organization especially starting out.

COMMISSIONER CONWAY: Okay. Thank you.

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

MS. FRANKS: Chairman Leara?

CHAIRMAN LEARA: Approved.

MS. FRANKS: Commissioner Conway?

COMMISSIONER CONWAY: Approved.

MS. FRANKS: Commissioner Hane?

COMMISSIONER HANE: Approved.

MS. FRANKS: Commissioner Zimmerman?

COMMISSIONER ZIMMERMAN: Approved.

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

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

MR. GREWACH: Thank you, Mr. Chairman. Under Tab H we have Final Orders of Rulemaking dealing with card and dice handling. The Commission approved the Proposed
Orders -- Proposed Rules at the January 19 meeting. There was a 30-day written comment period which ended March 31, 2022. There was a public hearing on April 6, 2022. We received no written comments and no one attended the public hearing. The -- if you approve this final order of rulemaking -- well first of all let me say it was approved by the Governor's office on January 3. We received approval on the final rules on May 17. If -- all three of these rules, again, deal with card and dice table games. If you approve these final orders of rulemaking, the rules become effective on September 30, 2022.

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

COMMISSIONER HANE: Second.

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

MS. FRANKS: Chairman Leara?

CHAIRMAN LEARA: Approved.

MS. FRANKS: Commissioner Conway?

COMMISSIONER CONWAY: Approved.

MS. FRANKS: Commissioner Hane?

COMMISSIONER HANE: Approved.

MS. FRANKS: Commissioner Zimmerman?

COMMISSIONER ZIMMERMAN: Approved.
MS. FRANKS: By your vote you have adopted Resolution No. 22-034.

CHAIRMAN LEARA: All right. Mr. Grewach.

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

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

If you approve these -- there were some comments on the public comment period, though no one did appear at the public hearing. The written comments we received during the public comment period do appear on your Final Orders of Rulemaking, along with the suggested changes from the Staff on those. If you approve these Final Orders of Rulemaking, they will have an effective date of September 30, 2022.
CHAIRMAN LEARA: Okay. Questions for Mr. Grewach?

COMMISSIONER ZIMMERMAN: Just one, Mr. Chairman.

CHAIRMAN LEARA: Madam Zimmerman.

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

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

COMMISSIONER ZIMMERMAN: Thank you.

CHAIRMAN LEARA: Any other questions?

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

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

COMMISSIONER CONWAY: Thank you.

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

COMMISSIONER CONWAY: Second.

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

MS. FRANKS: Chairman Leara?

CHAIRMAN LEARA: Approved.

MS. FRANKS: Commissioner Conway?

COMMISSIONER CONWAY: Approved.

MS. FRANKS: Commissioner Hane?

COMMISSIONER HANE: Approved.

MS. FRANKS: Commissioner Zimmerman?

COMMISSIONER ZIMMERMAN: Approved.
MS. FRANKS: By your vote you have adopted Resolution No. 22-035.

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

COMMISSIONER ZIMMERMAN: Second.

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

MS. FRANKS: Chairman Leara?

CHAIRMAN LEARA: Approved.

MS. FRANKS: Commissioner Conway?

COMMISSIONER CONWAY: Approved.

MS. FRANKS: Commissioner Hane?

COMMISSIONER HANE: Approved.

MS. FRANKS: Commissioner Zimmerman?

COMMISSIONER ZIMMERMAN: Approved.

MS. FRANKS: We are in closed session.

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