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BEFORE THE MISSOURI GAMING COMMISSION
STATE OF MISSOURI

Meeting
August 26, 2009
9:00 a.m.
Central Office
3417 Knipp Drive
Jefferson City, Missouri

	AGENDA	
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3	I. Call to Order	5:2
4	II. Motion to Close Meeting Under	
5	Sections 313.847 and 610.021(1) and	
	610.021(14)	5:18
6	III Motion to Open Meeting	6:12
7	IV. Minutes	
	A. July 28, 2009	7:14
8	B. July 29, 2009	7:14
9	V. Consideration of Disciplinary Actions	
	C. Jon E. Kreiser	
10	1. DC-09-136	8:15
	D. Casino One Corporation d/b/a	
11	Lumiere Place Casino	
	1. DC-09-157	10:9
12	E. Casino One Corporation d/b/a	
	Lumiere Place Casino	
13	1. DC-09-254	11:24
14	VI. Consideration of Relicensure of Certain	
	Suppliers	
15	F. Shuffle Master, Inc.	
	1. Resolution No. 09-060	19:23
16	G. WMS Gaming, Inc.	
	1. Resolution No. 09-061	21:9
17		
18	VII. Consideration of Licensure of Supplier	
	Entity & Associated Key Persons	
	H. Modern Gaming, Inc.	
19	1. Resolution No. 09-062	22:9
	2. Resolution No. 09-063	24:6
20		
21	VIII. Consideration of Licensure of Key Person	
	Business Entity & Associated Key Persons	
	I. ALEA Partners, LLC	
22	1. Resolution No. 09-064	25:2
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23		
24	IX. Consideration of Licensure of Certain	
	Level I/Key Applicants	
	J. Resolution No. 09-066	27:21
25		

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4	K. IOC-Caruthersville, LLC d/b/a	
5	Lady Luck Casino, Caruthersville	
6	1. Resolution No. 09-067	31:7
7	XI. Consideration of MBE/WBE Resolution	
8	L. Resolution No. 09-068	32:23
9	XII. Consideration of Future of President	
10	Riverboat Casino-Missouri, Inc. d/b/a	
11	President Casino	35:17
12	XIII. Report on River City Casino Project	39:25
13	XIV. New Business	44:5
14	XV. Old Business	56:12
15	XVI. Motion to Close Meeting Under Sections	
16	313.847 and 610.021(1) and (14)	56:16
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BEFORE THE MISSOURI GAMING COMMISSION
STATE OF MISSOURI

Meeting
August 26, 2009
9:00 a.m.
Central Office
3417 Knipp Drive
Jefferson City, Missouri

COMMISSIONERS PRESENT:

James L. Mathewson, Chairman
Noel J. Shull
Darryl T. Jones
Larry W. Plunkett, Sr.
Suzanne Bocell Bradley

REPORTED BY:

Patricia A. Stewart
RMR, RPR, CCR 401
3432 West Truman Boulevard, Suite 207
Jefferson City, Missouri 65109
573-636-7551

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

2 CHAIRMAN MATHEWSON: We're going to call the
3 roll and then accept a motion.

4 MS. FRANKS: Chairman Mathewson.

5 CHAIRMAN MATHEWSON: Aye.

6 MS. FRANKS: Commissioner Shull.

7 COMMISSIONER SHULL: Present.

8 MS. FRANKS: Commissioner Jones.

9 COMMISSIONER JONES: Present.

10 MS. FRANKS: Commissioner Plunkett.

11 COMMISSIONER PLUNKETT: Present.

12 MS. FRANKS: Commissioner Bradley.

13 COMMISSIONER BRADLEY: Present.

14 CHAIRMAN MATHEWSON: Okay. Chair would
15 accept a motion that we go into -- we're now in an open
16 meeting, for consideration of a closed meeting.

17 Did I hear a motion?

18 COMMISSIONER JONES: I'd like to make a
19 motion to move into closed session under
20 Sections 313.847 and 610.021(1) and 610.021(14).

21 COMMISSIONER BRADLEY: Second.

22 CHAIRMAN MATHEWSON: Okay. We have a motion
23 and a second.

24 Any discussion?

25 Call the roll, please.

1 MS. FRANKS: Chairman Mathewson.
2 CHAIRMAN MATHEWSON: Aye.
3 MS. FRANKS: Commissioner Shull.
4 COMMISSIONER SHULL: Approve.
5 MS. FRANKS: Commissioner Jones.
6 COMMISSIONER JONES: Approve.
7 MS. FRANKS: Commissioner Plunkett.
8 COMMISSIONER PLUNKETT: Approve.
9 MS. FRANKS: Commissioner Bradley.
10 COMMISSIONER BRADLEY: Approve.
11 (CLOSED SESSION.)
12 CHAIRMAN MATHEWSON: Okay. I think,
13 Mr. Director, we need to vote ourselves back in to an open
14 session. Is that correct?
15 MR. MCNARY: Yes, sir, you need a motion.
16 CHAIRMAN MATHEWSON: All right. Do I have a
17 motion, please?
18 COMMISSIONER SHULL: A motion.
19 COMMISSIONER BRADLEY: Second.
20 CHAIRMAN MATHEWSON: Call the roll, please.
21 MS. FRANKS: Chairman Mathewson.
22 CHAIRMAN MATHEWSON: Aye.
23 MS. FRANKS: Commissioner Shull.
24 COMMISSIONER SHULL: Approve.
25 MS. FRANKS: Commissioner Jones.

1 COMMISSIONER JONES: Approve.

2 MS. FRANKS: Commissioner Plunkett.

3 COMMISSIONER PLUNKETT: Approve.

4 MS. FRANKS: Commissioner Bradley.

5 COMMISSIONER BRADLEY: Approve.

6 CHAIRMAN MATHEWSON: Thank you. We're back
7 in open session.

8 Good morning, everyone. Welcome to another
9 beautiful day in Missouri. We've had a lot of them. Good
10 weather.

11 Okay. The minutes from the July 28 meeting
12 would be first. Chair would accept a motion to adopt
13 those minutes, please.

14 COMMISSIONER JONES: Move for the acceptance
15 of the minutes from July 28, 2009 and July 29, 2009.

16 COMMISSIONER PLUNKETT: Second.

17 CHAIRMAN MATHEWSON: Okay. We have a motion
18 and a second for adoption of both of those meetings.

19 Is there any discussion?

20 Call the roll, please.

21 MS. FRANKS: Chairman Mathewson.

22 CHAIRMAN MATHEWSON: Approve.

23 MS. FRANKS: Commissioner Shull.

24 COMMISSIONER SHULL: Approve.

25 MS. FRANKS: Commissioner Jones.

1 COMMISSIONER JONES: Approve.

2 MS. FRANKS: Commissioner Plunkett.

3 COMMISSIONER PLUNKETT: Approve.

4 MS. FRANKS: Commissioner Bradley.

5 COMMISSIONER BRADLEY: Approve.

6 MS. FRANKS: By your vote you've adopted the
7 minutes of the July 28, 2009 meeting and the July 29, 2009
8 meeting.

9 MR. MCNARY: Mr. Chairman, Item V on the
10 agenda concerns disciplinary actions, and Colonel Roger
11 Stottlemire will handle those.

12 COLONEL STOTTLEMYRE: Chairman,
13 Commissioners, good morning.

14 CHAIRMAN/COMMISSIONERS: Good morning.

15 COLONEL STOTTLEMYRE: We'll start off at
16 Tab C. We'll look at Disciplinary Complaint No. 09-136
17 concerning Level 1 Licensee Jon E. Kreiser, security
18 manager, HGI-St. Joe.

19 The violations alleged fall under
20 Section 313.817 of the Revised Statutes of Missouri, which
21 prohibits person under the age of 21 from being admitted
22 to the gaming floor and from wagering.

23 The facts supporting the alleged violations
24 are as follows: On February 26, 2009 the licensee
25 inspected a patron's Guatemalan identification card after

1 a security guard presented it to the licensee for
2 verification.

3 The licensee verified the identification and
4 allowed the patron to enter the gaming floor. The patron
5 gambled and remained on the floor for 45 minutes. The
6 patron's correct age was 20.

7 And this was discovered by a marketing rep
8 when the underage patron attempted to get a casino
9 player's card. The MGC agent was then made aware of the
10 situation.

11 And as a result of these factual
12 allegations, the Staff recommends that the Commission
13 suspend Mr. Kreiser's license for one day.

14 CHAIRMAN MATHEWSON: Any discussion?

15 Chair would accept a motion to accept the
16 recommendation for the one-day suspension.

17 COMMISSIONER SHULL: I move the approval of
18 DC-09-136.

19 COMMISSIONER JONES: Second.

20 CHAIRMAN MATHEWSON: Any discussion?

21 Call the roll, please.

22 MS. FRANKS: Chairman Mathewson.

23 CHAIRMAN MATHEWSON: Approve.

24 MS. FRANKS: Commissioner Shull.

25 COMMISSIONER SHULL: Approve.

1 MS. FRANKS: Commissioner Jones.

2 COMMISSIONER JONES: Approve.

3 MS. FRANKS: Commissioner Plunkett.

4 COMMISSIONER PLUNKETT: Approve.

5 MS. FRANKS: Commissioner Bradley.

6 COMMISSIONER BRADLEY: Approve.

7 MS. FRANKS: By your vote you've adopted
8 DC-09-136.

9 COLONEL STOTTLEMYRE: Now I direct your
10 attention to Tab D. This was the one that was removed
11 that was tabled and is back. Okay.

12 This is Disciplinary Complaint No. 09-157
13 concerning Class B Licensee Casino One Corporation doing
14 business as Lumiere Place Casino.

15 The violations alleged fall under
16 Section 313.817, Revised Statutes of Missouri, which
17 prohibit persons under the age of 21 from being admitted
18 to the gaming floor and from wagering.

19 On November 8th, 2008 Corporal Barthelmass
20 was notified by the casino that an underage patron was
21 discovered on the casino floor. He responded and learned
22 that the 20-year-old underage patron presented a false
23 identification to gain entry to the floor. Once on the
24 casino floor the underage patron played blackjack.

25 His false identification was discovered by

1 the cage personnel when he attempted to complete a
2 transaction.

3 As a result of these factual allegations,
4 the Staff recommends the Commission propose a \$5,000 fine.

5 CHAIRMAN MATHEWSON: Chair would accept a
6 motion on the recommendation.

7 COMMISSIONER JONES: Move for the acceptance
8 of DC-09-157.

9 COMMISSIONER BRADLEY: Second.

10 CHAIRMAN MATHEWSON: Any discussion?

11 Call the roll, please.

12 MS. FRANKS: Chairman Mathewson.

13 CHAIRMAN MATHEWSON: Approve.

14 MS. FRANKS: Commissioner Shull.

15 COMMISSIONER SHULL: Approve.

16 MS. FRANKS: Commissioner Jones.

17 COMMISSIONER JONES: Approve.

18 MS. FRANKS: Commissioner Plunkett.

19 COMMISSIONER PLUNKETT: Approve.

20 MS. FRANKS: Commissioner Bradley.

21 COMMISSIONER BRADLEY: Approve.

22 MS. FRANKS: By your vote you've adopted
23 DC-09-157.

24 COLONEL STOTTLEMYRE: I now direct your
25 attention to Tab E, look at Disciplinary Complaint

1 No. 09-254 concerning Class B Licensee Casino One
2 Corporation doing business as Lumiere Place Casino.

3 The violations alleged fall under
4 Section 313.817, Revised Statutes of Missouri, which
5 prohibits persons under the age of 21 from being admitted
6 to the gaming floor and from wagering.

7 We have seven different counts included in
8 this disciplinary complaint. These disciplines all fall
9 at a period of time -- about a month's period of time -- a
10 little over a month's period of time, which occurred prior
11 to a meeting that Staff and I had with Lumiere Place
12 Casino concerning the underage problem that they're having
13 at the casino.

14 Just a little history on where we're at with
15 these, but there are seven counts on this one.

16 Count I occurred on March 21, 2009 at
17 3:00 a.m. The casino contacted Trooper Hourihan about an
18 underage patron that was discovered on the gaming floor.

19 His investigation revealed that the underage
20 patron had presented his real identification to security
21 at the entrance but was still allowed to enter the gaming
22 floor when he was only 20 years of age. During the time
23 the underage patron played blackjack for a period of time.

24 On Count II. It's on March 21, 2009 at
25 8:00 a.m. The casino contacted Trooper Cheney, reported

1 an underage person on the casino floor. The underage
2 patron had presented his real identification to security
3 at the entrance but was still allowed to enter the gaming
4 floor. The underage patron played EGDs during his time on
5 the casino floor, and this patron was 20 years of age.

6 Count III: On March 21, 2009 at 2:45 p.m.,
7 the casino contacted Sergeant Bielawski concerning an
8 underage patron on the floor. This patron had presented
9 his real identification to a security guard at the
10 entrance but was still allowed to enter the gaming floor,
11 and the underage patron played roulette during his time on
12 the floor, and this patron was 20 years of age.

13 On March 27, 2009 at 5:30 an underage patron
14 was reported to Corporal Barthelmass. His investigation
15 revealed that the underage patron had presented a false
16 identification to security at the turnstiles and was
17 allowed to enter the gaming floor. At around the same
18 time at a separate turnstile three underage patrons
19 entered the gaming floor without being asked for their
20 identification.

21 After 20 minutes all four underage patrons
22 were discovered while on the gaming floor. Three of the
23 four underage patrons gambled. These individuals were --
24 one of them was 19 and the other three were 20 years of
25 age.

1 Count V: On March 27, 2009 at 6:30 p.m.
2 casino personnel contacted Corporal Barthelmass about an
3 underage patron on the casino floor. The patron had
4 presented his real identification to security at the
5 entrance but was still allowed to enter the gaming floor.
6 During the time the patron was on the floor he played EGDs --
7 with the EGDs and craps. This patron was 20 years of age.

8 Count VI: On March 29, 2009 at 11:14 p.m.
9 casino personnel contacted Sergeant Moore, referenced an
10 underage patron on the casino floor. This patron had
11 presented his real identification to security at the
12 entrance but was still allowed to enter the gaming floor,
13 and while on the floor the underage patron played with the
14 EGDs. This patron was 20 years of age.

15 And Count VII: On April 10th, 2009 at
16 11:01 p.m. casino personnel contacted Sergeant Ream,
17 referenced an underage person found on the gaming floor.
18 The underage patron had presented his real identification
19 to security at the entrance but was still allowed to enter
20 the gaming floor. The underage patron played the EGDs
21 during the time he was on the floor, and this patron was
22 19 years of age.

23 As a result of these factual allegations,
24 the Staff recommends that the Commission impose a \$70,000
25 fine.

1 CHAIRMAN MATHEWSON: Any questions of Roger?
2 Chair would accept a motion on the
3 recommendation.

4 COMMISSIONER SHULL: A question.

5 CHAIRMAN MATHEWSON: Sure.

6 COMMISSIONER SHULL: I noticed that three --
7 I believe it was three of these counts, the driver's
8 license of the individuals or the identification indicated
9 that the individual was under 21.

10 Can you explain the system that they have
11 there to check? I mean, it appears to me that this is
12 just very negligent.

13 And do they have one person checking each
14 turnstile or what is their system?

15 COLONEL STOTTLEMYRE: There is times they
16 might have one -- depending on the amount of business they
17 might have one, they might have two security officers at
18 the turnstile and sometimes even more. I think that
19 depends upon the amount of business they have coming
20 through the turnstiles.

21 The situation that you saw here, each of
22 those had been checked by the security officer. I mean,
23 they actually looked at the license; and even though it
24 had on there that they're not 21 until a certain date, for
25 whatever reason, you know, they didn't follow through.

1 They didn't react in the way they should have. I know
2 that the casino has, you know, fired these individuals for
3 not doing this.

4 But as to give you a reason, I can't. It's
5 just not doing what they should be doing as an employee
6 assigned to that task.

7 COMMISSIONER SHULL: Have all of the
8 individuals been dismissed, or do you know that?

9 COLONEL STOTTLEMYRE: I don't know that fact
10 to be sure, no. I think they have, yes. And they've also
11 been -- they also have discipline that they are facing
12 from the Missouri Gaming Commission too, suspensions.

13 COMMISSIONER JONES: The individuals?

14 COLONEL STOTTLEMYRE: Yes, sir.

15 CHAIRMAN MATHEWSON: Any further questions
16 of Roger?

17 Chair would accept a motion on the
18 recommendation.

19 Do I hear a motion on the recommendation?

20 COMMISSIONER BRADLEY: Motion to approve
21 DC-09-254.

22 CHAIRMAN MATHEWSON: A second?

23 COMMISSIONER PLUNKETT: I'll second it.

24 CHAIRMAN MATHEWSON: Thank you.

25 Any further discussion?

1 Call the roll, please.

2 MS. FRANKS: Chairman Mathewson.

3 CHAIRMAN MATHEWSON: Approve.

4 MS. FRANKS: Commissioner Shull.

5 COMMISSIONER SHULL: Approve.

6 MS. FRANKS: Commissioner Jones.

7 COMMISSIONER JONES: Approve.

8 MS. FRANKS: Commissioner Plunkett.

9 COMMISSIONER PLUNKETT: Approve.

10 MS. FRANKS: Commissioner Bradley.

11 COMMISSIONER BRADLEY: Approve.

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

13 DC-09-254.

14 CHAIRMAN MATHEWSON: That concludes that

15 portion of Section V, Mr. Director.

16 So that you all know this, please, the

17 Commission had discussed this at least at a couple

18 different meetings on this disciplinary action.

19 Based on our discussion we did ask that

20 Gene McNary, the Executive Director, would set up meetings

21 with the different management of the casinos and also

22 request that they submit a plan, if you would, on what

23 action they thought could be taken here.

24 Both Mike Winter from the Missouri Gaming

25 Association has submitted thoughts and also Christine

1 Lomas had submitted a thought of their plans, and we just
2 received those actually just in the last few days.

3 And that's not critical. I'm not
4 criticizing anybody for that because we didn't request it
5 until just a few days ago.

6 But we haven't had a chance to review this
7 information as a Commission yet, and we will do that and
8 we'll have further discussion about it later.

9 But I think, you know, it's an important
10 issue. And, you know, I'm just speaking now for me, but
11 personally it's not a fun thing to sit up here and
12 penalize folks, I mean, you know. But at the same time I
13 think everyone recognizes we can't be doing this. You
14 know, we need to get a handle on this.

15 So certainly we want to work with all of the
16 casinos in trying to find maybe a better way than what
17 we're doing, okay, to review this different disciplinary
18 program as it relates to underage.

19 You don't want it. We don't want it. So we
20 have to find a way to do something about it. Okay?

21 So do any of the Commissioners have any
22 comments on that subject?

23 COMMISSIONER SHULL: Mr. Chairman, I might
24 just say that the aggregating of these seven counts caused
25 me some concern, but -- and I agreed to -- you know, I

1 voted for it to approve it.

2 But in the future I think that this should
3 be a shot across the bow, if you will, that I personally
4 will be less tolerant of these infractions in the future.

5 CHAIRMAN MATHEWSON: Any other comments from
6 anyone on the Commission?

7 Thank you.

8 COMMISSIONER BRADLEY: I agree with that
9 just for the fact that we have had these conversations in
10 the last few months of our meeting, realizing that, you
11 know, after especially the election in November and the
12 kind of the change of the rules. I know we know it's a
13 little more difficult for casinos in how they're doing
14 this, but this is extremely important and an important
15 issue we have to address. So I agree.

16 CHAIRMAN MATHEWSON: Thank you.

17 Okay. Moving along then.

18 MR. MCNARY: Item VI --

19 CHAIRMAN MATHEWSON: Item VI.

20 MR. MCNARY: -- Mr. Chairman, concerns
21 relicensure of two suppliers.

22 Lieutenant Rex Scism.

23 LIEUTENANT SCISM: Good morning --

24 CHAIRMAN/COMMISSIONERS: Good morning.

25 LIEUTENANT SCISM: -- Mr. Chairman,

1 Commissioners.

2 Missouri State Highway Patrol investigators
3 conducted the relicensing investigation of two supplier
4 companies currently licensed in Missouri.

5 These investigations consisted of
6 jurisdictional inquiries, feedback from affected gaming
7 company clients, a review of disciplinary actions,
8 litigation and business credit profiles, as well as a
9 review of key persons associated with each company.

10 The results of these investigations were
11 provided to the MGC Staff for their review, and the
12 following supplier company is being presented for your
13 consideration.

14 The first one you'll be voting on is Shuffle
15 Master, Incorporated of Las Vegas, Nevada.

16 MR. MCNARY: Staff recommends relicensure.

17 COMMISSIONER SHULL: Move for the approval
18 of 09-060.

19 COMMISSIONER BRADLEY: Second.

20 CHAIRMAN MATHEWSON: Any discussion?

21 Call the roll, please.

22 MS. FRANKS: Chairman Mathewson.

23 CHAIRMAN MATHEWSON: Approve.

24 MS. FRANKS: Commissioner Shull.

25 COMMISSIONER SHULL: Approve.

1 MS. FRANKS: Commissioner Jones.
2 COMMISSIONER JONES: Approve.
3 MS. FRANKS: Commissioner Plunkett.
4 COMMISSIONER PLUNKETT: Approve.
5 MS. FRANKS: Commissioner Bradley.
6 COMMISSIONER BRADLEY: Approve.
7 MS. FRANKS: By your vote you've adopted
8 Resolution No. 09-060.
9 LIEUTENANT SCISM: And then the second
10 company, WMS Gaming, Incorporated of Waukegan, Illinois.
11 MR. MCNARY: Staff recommends relicensure.
12 CHAIRMAN MATHEWSON: Any questions,
13 discussions?
14 Chair would accept a motion.
15 COMMISSIONER PLUNKETT: Motion to approve
16 Resolution 09-061.
17 COMMISSIONER JONES: Second.
18 CHAIRMAN MATHEWSON: Call the roll, please.
19 MS. FRANKS: Chairman Mathewson.
20 CHAIRMAN MATHEWSON: Approve.
21 MS. FRANKS: Commissioner Shull.
22 COMMISSIONER SHULL: Approve.
23 MS. FRANKS: Commissioner Jones.
24 COMMISSIONER JONES: Approve.
25 MS. FRANKS: Commissioner Plunkett.

1 COMMISSIONER PLUNKETT: Approve.

2 MS. FRANKS: Commissioner Bradley.

3 COMMISSIONER BRADLEY: Approve.

4 MS. FRANKS: By your vote you've adopted
5 Resolution No. 09-061.

6 MR. MCNARY: Item VII concerns licensure of
7 supplier entity and associated key persons.

8 Sergeant Dave Leitmann will handle that.

9 SERGEANT LEITMANN: Mr. Chairman,
10 Commissioners, good morning.

11 You will notice that under Tab H that there
12 are two resolutions, one for the company Modern Gaming,
13 Inc., and the second resolution has to do with the two key
14 persons associated with that company, Rory Fradella, the
15 owner and president, and Cassie Fradella, the secretary/
16 treasurer.

17 On April the 9th, 2009, Modern Gaming,
18 Incorporated submitted an application to the Missouri
19 Gaming Commission as a new supplier company. The company
20 also submitted applications for its two key persons.

21 Missouri State Highway Patrol investigators,
22 along with Missouri Gaming financial investigators,
23 conducted a background investigation on Modern Gaming,
24 Inc. and its associated key persons.

25 The investigation included, but was not

1 limited to, criminal, civil, financial and general
2 character inquiries of the key persons through Federal,
3 State, local government entities, as well as a
4 comprehensive financial analysis of both the keys and the
5 companies.

6 In August 2009 an investigative summary was
7 prepared and submitted to the Gaming Commission staff.
8 You should have a copy of that comprehensive summary
9 before you under Tab H.

10 Unless you have any questions, that's what I
11 have.

12 MR. MCNARY: Staff recommends licensure, and
13 the first resolution concerns the entity itself.

14 COMMISSIONER SHULL: Recommend approval of
15 09-062.

16 COMMISSIONER BRADLEY: Second.

17 CHAIRMAN MATHEWSON: Any discussion?

18 Call the roll, please.

19 MS. FRANKS: Chairman Mathewson.

20 CHAIRMAN MATHEWSON: Approve.

21 MS. FRANKS: Commissioner Shull.

22 COMMISSIONER SHULL: Approve.

23 MS. FRANKS: Commissioner Jones.

24 COMMISSIONER JONES: Approve.

25 MS. FRANKS: Commissioner Plunkett.

1 COMMISSIONER PLUNKETT: Approve.

2 MS. FRANKS: Commissioner Bradley.

3 COMMISSIONER BRADLEY: Approve.

4 MS. FRANKS: By your vote you've adopted
5 Resolution No. 09-062.

6 COMMISSIONER SHULL: Move approval of
7 09-063.

8 COMMISSIONER JONES: Second.

9 MR. MCNARY: Staff recommends approval.

10 CHAIRMAN MATHEWSON: Call the roll, please.

11 MS. FRANKS: Chairman Mathewson.

12 CHAIRMAN MATHEWSON: Approve.

13 MS. FRANKS: Commissioner Shull.

14 COMMISSIONER SHULL: Approve.

15 MS. FRANKS: Commissioner Jones.

16 COMMISSIONER JONES: Approve.

17 MS. FRANKS: Commissioner Plunkett.

18 COMMISSIONER PLUNKETT: Approve.

19 MS. FRANKS: Commissioner Bradley.

20 COMMISSIONER BRADLEY: Approve.

21 MS. FRANKS: By your vote you've adopted
22 Resolution 09-063.

23 MR. MCNARY: Item VIII on the agenda,
24 Mr. Chairman, concerns licensure of key person business
25 entity and associated key persons, ALEA Partners LLC.

1 Sergeant Jeff Smith will handle that.

2 SERGEANT SMITH: Good morning, Chairman,
3 Commissioners.

4 CHAIRMAN/COMMISSIONERS: Good morning.

5 SERGEANT SMITH: You will notice under Tab I
6 that there are two resolutions, one for the company ALEA
7 Partners LLC, hereinafter referred to as ALEA, and the
8 second resolution for two key persons, Robert Mignone, the
9 managing partner of ALEA, and David Wolfe, partner in
10 ALEA.

11 On September 30th, 2008 ALEA made
12 application to the Missouri Gaming Commission for a
13 supplier key person entity license. The company also
14 submitted applications for its two key persons.

15 Missouri State Highway Patrol investigators,
16 along with Gaming Commission financial investigators,
17 conducted background investigations on ALEA and its
18 associated key persons.

19 The investigation included, but was not
20 limited to, criminal, civil, financial and general
21 character inquiries of the key persons through Federal,
22 State and local government entities, as well as a
23 comprehensive financial analysis of the company.

24 In August 2009 an investigative summary was
25 submitted to the Missouri Gaming Commission, and a copy of

1 that comprehensive summary has been provided for your
2 review.

3 Thank you.

4 MR. MCNARY: Staff recommends licensure of
5 both the business entity and the key persons.

6 CHAIRMAN MATHEWSON: Any discussion?
7 Chair would accept a motion for approval, or
8 a recommendation.

9 COMMISSIONER JONES: Move for the acceptance
10 of Resolution No. 09-064.

11 COMMISSIONER BRADLEY: Second.

12 CHAIRMAN MATHEWSON: Call the roll, please.

13 MS. FRANKS: Chairman Mathewson.

14 CHAIRMAN MATHEWSON: Approve.

15 MS. FRANKS: Commissioner Shull.

16 COMMISSIONER SHULL: Approve.

17 MS. FRANKS: Commissioner Jones.

18 COMMISSIONER JONES: Approve.

19 MS. FRANKS: Commissioner Plunkett.

20 COMMISSIONER PLUNKETT: Approve.

21 MS. FRANKS: Commissioner Bradley.

22 COMMISSIONER BRADLEY: Approve.

23 MS. FRANKS: By your vote you've adopted
24 Resolution No. 09-064.

25 MR. MCNARY: Item IX --

1 CHAIRMAN MATHEWSON: Let's do 09-065.

2 COMMISSIONER JONES: Move for the acceptance
3 of Resolution No. 09-065.

4 COMMISSIONER BRADLEY: Second.

5 CHAIRMAN MATHEWSON: Call the roll, please.

6 MS. FRANKS: Chairman Mathewson.

7 CHAIRMAN MATHEWSON: Approve.

8 MS. FRANKS: Commissioner Shull.

9 COMMISSIONER SHULL: Approve.

10 MS. FRANKS: Commissioner Jones.

11 COMMISSIONER JONES: Approve.

12 MS. FRANKS: Commissioner Plunkett.

13 COMMISSIONER PLUNKETT: Approve.

14 MS. FRANKS: Commissioner Bradley.

15 COMMISSIONER BRADLEY: Approve.

16 MS. FRANKS: By your vote you've adopted
17 Resolution No. 09-065.

18 MR. MCNARY: Item IX concerns licensure of a
19 Level I -- I guess several Level 1 key applicants.

20 Lieutenant Rex Scism.

21 LIEUTENANT SCISM: Hello again. I'm here
22 with my list of confusing names. No, these aren't too bad
23 this time.

24 Okay. Missouri State Highway Patrol
25 investigators, along with Gaming Commission financial

1 investigators, conducted background investigations on
2 multiple key person and Level 1 applications. The
3 investigations included, but were not limited to,
4 criminal, financial and general character inquiries which
5 were made in the jurisdictions where the applicants lived,
6 worked and frequented.

7 The following individuals are being
8 presented for your consideration. All these individuals
9 are associated with one company, and it's WMS Gaming.

10 The first is Harold H. Bach, Jr., Director;
11 Robert J. Bahash, Director; Orrin J. Edidin, President;
12 Kenneth Lochiatto, Executive Vice-President and COO;
13 Patricia M. Nazemetz, Director; Louis J. Nicastro,
14 Director; Neil D. Nicastro, Director; Edward W. Rabin,
15 Jr., Director; Ira Sheinfeld, Director; Bobby L. Siller,
16 Director, and, finally, William J. Vareschi, Director.

17 The results of all investigations were
18 provided to the Gaming Commission Staff for their review,
19 and you have summary reports before you for all the
20 applicants being considered.

21 MR. MCNARY: Staff recommends licensure.

22 CHAIRMAN MATHEWSON: Lieutenant, I'm sorry.
23 Again, I'm still learning. What do these folks do? I
24 mean, why is this before us? I'm sorry. Do they have
25 operations here in Missouri now?

1 LIEUTENANT SCISM: They do offer gaming
2 supplies to our casino companies.

3 CHAIRMAN MATHEWSON: They're presently doing
4 that?

5 LIEUTENANT SCISM: Correct.

6 And these are a result of some of the
7 changes that occurred in Chapter 4 last year, where the
8 supplier companies -- if you recall historically, the
9 supplier companies, the individual key people and board
10 members were not licensed prior to that time of those
11 Chapter 4 revisions, and once those changes were made, or
12 put in place, we started actually licensing the key people
13 and associated board members.

14 And what happened previously, prior to that,
15 we would still do background investigations on the
16 corporate individuals, CEO, CFO and so forth, but the
17 board members didn't file the same level of disclosure
18 that the corporate officials did.

19 Those changes in Chapter 4 required
20 licensing in Level I -- you know, key disclosures for all
21 of the board members and key people.

22 So they've been around a while. They've
23 been doing business in Missouri for a number of years.
24 And so we went back and redid, you know, freshened up, so
25 to speak, the investigation on the corporate folks that

1 we'd already looked at and then did investigations on all
2 of the board members, you know, in accordance with that
3 new revision.

4 CHAIRMAN MATHEWSON: Thank you. Thank you
5 very much.

6 LIEUTENANT SCISM: You bet.

7 CHAIRMAN MATHEWSON: Gene, you did recommend
8 that?

9 MR. MCNARY: Yes, sir, we recommend
10 licensure.

11 CHAIRMAN MATHEWSON: Okay. Chair would
12 accept a motion.

13 COMMISSIONER SHULL: Move approval of
14 09-066.

15 COMMISSIONER BRADLEY: I'll second.

16 CHAIRMAN MATHEWSON: Call the roll, please.

17 MS. FRANKS: Chairman Mathewson.

18 CHAIRMAN MATHEWSON: Approve.

19 MS. FRANKS: Commissioner Shull.

20 COMMISSIONER SHULL: Approve.

21 MS. FRANKS: Commissioner Jones.

22 COMMISSIONER JONES: Approve.

23 MS. FRANKS: Commissioner Plunkett.

24 COMMISSIONER PLUNKETT: Approve.

25 MS. FRANKS: Commissioner Bradley.

1 COMMISSIONER BRADLEY: Approve.

2 MS. FRANKS: By your vote you've adopted
3 Resolution No. 09-066.

4 MR. MCNARY: Item X concerns settlement
5 agreement.

6 General Counsel Chris Hinckley.

7 MR. HINCKLEY: Good morning.

8 CHAIRMAN/COMMISSIONERS: Good morning.

9 MR. HINCKLEY: I direct your attention to
10 Tab K and Commission Resolution 09-067 regarding
11 settlement agreement and waiver of hearings regarding
12 Class B Licensee IOC-Caruthersville LLC and underlying
13 disciplinary matter No. 09-211.

14 In that matter the Commission issued a
15 \$5,000 fine after hearing facts alleging that an
16 electronic gaming device on the casino floor had a
17 mislabeled credit button that resulted in a customer
18 complaint regarding a jackpot.

19 Upon the Commission issuing the fine, the
20 licensee immediately contacted the Commission, took
21 responsibility for their actions or inactions. The
22 licensee and the Commission engaged in settlement
23 negotiations regarding the matter and pending Commission
24 approval agreed to settle the matter for a payment of
25 \$4,500.

1 Staff recommends that the Commission adopt
2 this resolution.

3 CHAIRMAN MATHEWSON: Any questions of Chris?

4 Chair would accept a motion to adopt the
5 settlement agreement.

6 COMMISSIONER PLUNKETT: Motion to approve
7 Resolution No. 09-067.

8 COMMISSIONER SHULL: Second.

9 CHAIRMAN MATHEWSON: Any discussion?

10 Call the roll, please.

11 MS. FRANKS: Chairman Mathewson.

12 CHAIRMAN MATHEWSON: Approve.

13 MS. FRANKS: Commissioner Shull.

14 COMMISSIONER SHULL: Approve.

15 MS. FRANKS: Commissioner Jones.

16 COMMISSIONER JONES: Approve.

17 MS. FRANKS: Commissioner Plunkett.

18 COMMISSIONER PLUNKETT: Approve.

19 MS. FRANKS: Commissioner Bradley.

20 COMMISSIONER BRADLEY: Approve.

21 MS. FRANKS: By your vote you've adopted
22 Resolution No. 09-067.

23 MR. MCNARY: Mr. Chairman, Item VI on the
24 agenda concerns the minority and women enterprises
25 obligations of the casinos.

1 They are required by statute to submit a
2 plan on the advancement of women and minorities and
3 minority contracting, along with their affirmative action
4 policy procedures, and they have done so. They have been
5 cooperative.

6 Staff believes that it is appropriate to
7 verify the reports that they have submitted, and this
8 resolution would authorize the Executive Director to enter
9 into a contract with a third party to do an outside audit
10 in effect to conduct this verification of reports.

11 Obviously we recommend passage.

12 CHAIRMAN MATHEWSON: Yeah. Gene, help me
13 again. I'm learning.

14 Those have to go out for bid. I mean, is
15 that -- do we come under the same rules and regulations as
16 the State contractor?

17 MR. MCNARY: I think we do, yes.

18 CHAIRMAN MATHEWSON: Okay. Have they gone
19 out for bid yet?

20 MR. MCNARY: No. I think that we have -- we
21 have checked out who is available to do --

22 CHAIRMAN MATHEWSON: Who would be, yeah, who
23 would want to do it.

24 MR. MCNARY: Alden, do you want to speak to
25 what the process is?

1 approve Resolution 09-068.

2 COMMISSIONER JONES: Second.

3 CHAIRMAN MATHEWSON: Any further discussion?

4 Call the roll, please.

5 MS. FRANKS: Chairman Mathewson.

6 CHAIRMAN MATHEWSON: Approve.

7 MS. FRANKS: Commissioner Shull.

8 COMMISSIONER SHULL: Approve.

9 MS. FRANKS: Commissioner Jones.

10 COMMISSIONER JONES: Approve.

11 MS. FRANKS: Commissioner Plunkett.

12 COMMISSIONER PLUNKETT: Approve.

13 MS. FRANKS: Commissioner Bradley.

14 COMMISSIONER BRADLEY: Approve.

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

16 Resolution No. 09-068.

17 MR. MCNARY: Mr. Chairman, Item XII on the

18 agenda concerns the future of President Riverboat Casino-

19 Missouri, Inc. doing business as President Casino.

20 And you're on your own.

21 CHAIRMAN MATHEWSON: You threw that old

22 pitch right in there, didn't you?

23 Okay. I think everyone recognizes we had a

24 very lengthy meeting last time on this subject here late

25 that evening and all of us up here lost our room because

1 we were. So at any rate, you know, we have reached that
2 point where this has to be resolved.

3 So Commissioners.

4 COMMISSIONER BRADLEY: Mr. Chairman, I do
5 have a motion, that I would like to make a resolution. I
6 would like to hand it to you right now what I've had
7 prepared, and let me hand these to you.

8 Here we go. Yes. Pass those down, if you
9 would.

10 And I think everyone in the Commission and
11 people present obviously realize we've been discussing
12 with legal counsel at length what the law is and what our
13 job is as commissioners and what the law is.

14 And I think it's clear from the letter that
15 we received from the Solicitor General of the Missouri
16 Attorney General's Office that the license on the
17 president is site -- is both site and boat specific,
18 meaning that license only goes to that boat and at that
19 location.

20 And I'm going to make a motion today,
21 Mr. Chairman, that in order to replace a boat, there must
22 be a new license application. I would like to propose
23 Resolution No. 09-069. This is titled regarding the
24 replacement of the President Riverboat Casino-Missouri,
25 Inc.

1 My motion, Mr. Chairman, under this
2 resolution is at this time to reject all plans and
3 proposals submitted regarding the repair, replacement or
4 the relocation of the President as stated in this
5 resolution, and further acknowledging what is clear fact,
6 that the hull will be decertified as of July 20th, 2010,
7 which is a fact we must deal with right now.

8 And as a commission, we must abide by the
9 law, and my motion is to abide by the decision from our
10 legal counsel and the Attorney General's -- the Attorney
11 General's Office, that that is what we must do.

12 So I'd like to know what everybody else
13 feels about my motion.

14 I need a second on that.

15 CHAIRMAN MATHEWSON: I'll be glad to second
16 that.

17 COMMISSIONER JONES: Was that the motion?

18 COMMISSIONER BRADLEY: Yes, that was the
19 motion.

20 COMMISSIONER JONES: I'll second that
21 resolution, 09-069.

22 CHAIRMAN MATHEWSON: Any further discussion
23 or questions of Commissioner Bradley?

24 Okay. Any further discussion?

25 Call the roll on the adoption of Resolution

1 09-069.

2 MS. FRANKS: Chairman Mathewson.

3 CHAIRMAN MATHEWSON: Approve.

4 MS. FRANKS: Commissioner Shull.

5 COMMISSIONER SHULL: Approve.

6 MS. FRANKS: Commissioner Jones.

7 COMMISSIONER JONES: Approve.

8 MS. FRANKS: Commissioner Plunkett.

9 COMMISSIONER PLUNKETT: Approve.

10 MS. FRANKS: Commissioner Bradley.

11 COMMISSIONER BRADLEY: Approve.

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

13 Resolution No. 09-069.

14 CHAIRMAN MATHEWSON: Okay. I guess report

15 on the River City Casino project is next.

16 Gene.

17 MR. RIFFEL: Mr. Chairman --

18 MR. MCNARY: Jerry Riffel, Esquire, will

19 report on River City.

20 MR. RIFFEL: Would it be appropriate for our

21 general counsel to make a statement -- we would

22 respectfully request that we be able to make a request on

23 the passage of the last resolution.

24 MR. MCNARY: I'd suggest, Mr. Chairman, that

25 you could entertain that under new business.

1 CHAIRMAN MATHEWSON: Yeah. Be glad to.

2 MR. RIFFEL: All right. I will go get my --

3 CHAIRMAN MATHEWSON: And in fairness, I'd be
4 happy to, if that's appropriate that we accept that under
5 new business, that you see the resolution.

6 I think they need to see it, don't they?

7 Chris?

8 MR. HINCKLEY: That's fine.

9 CHAIRMAN MATHEWSON: May I?

10 MR. HINCKLEY: May I see a copy?

11 CHAIRMAN MATHEWSON: So you know what it
12 says. If you're going to speak to it, you should probably
13 know what it says. Hell, you might even like it.

14 MR. RIFFEL: Respectfully stated, probably
15 not.

16 CHAIRMAN MATHEWSON: Make sure to get that
17 in there, they might even like it. Okay.

18 Jerry.

19 MR. RIFFEL: Should I make my report now?

20 CHAIRMAN MATHEWSON: Yeah, I wish you would,
21 sir.

22 MR. RIFFEL: All right, sir. I have to get
23 my notes.

24 CHAIRMAN MATHEWSON: Go ahead, Mr. Riffel.

25 MR. RIFFEL: Yes, sir.

1 Mr. Chairman and Commissioners, Jerry
2 Riffel, Lathrop & Gage, on behalf of the Class B Licensee
3 Casino One Corporation.

4 All of you have with you a color copy of a
5 PDF that was prepared by Mr. Herr, which has notes on
6 certain of the pages, and I understand that you are going
7 to be visiting and touring the site again on September 29
8 or 30.

9 Mr. Herr, Bob Herr, sent his regrets that he
10 could not be with you today. He's in Las Vegas. They're
11 working on some necessary construction changes to the
12 project that need to be done but are not of anything that
13 really changes the substance of the project.

14 Phase I of the road, which goes from I-55 to
15 Lemay, is completed. It's open. The new bridge is done.
16 The new road is finished. It's been accepted by the
17 county and is functioning as a four-lane major arterial,
18 which was the requirement of the Commission.

19 Phase II, which goes from Lemay to Broadway,
20 is completed. It is going through a number of legal
21 actions that are required. It is being dedicated by the
22 county. There is an intergovernmental agreement, a quite
23 complicated agreement, that's pending before the County
24 Council of the County of St. Louis and before the Board of
25 Alderman of the City of St. Louis.

1 When approved that intergovernmental
2 agreement will provide, among other requirements as to the
3 road, that it be operated and maintained both in the city
4 and the county as a county road.

5 So the county will be maintaining it. There
6 will be common street lighting, signage, and it in my mind
7 will have all the appearances of what we would call as a
8 modern, first-class boulevard.

9 So it's going to be quite a facility. I
10 think this deserves a little bit of detail because in this
11 area -- this was an area which required a lot of difficult
12 actions, both environmental and other. It adjoins a park.
13 It is inland. It goes through land that was acquired
14 using Federal, city and county monies to avoid future
15 floods.

16 And so, therefore, there was very careful
17 actions taken. And, in fact, the size of the park has
18 been increased as a result of the construction of the new
19 boulevard.

20 And then Phase III is Broadway to the site.
21 It will be completed this fall. This is the one with the
22 big viaduct over the railroad. It is being used for
23 construction traffic only. It will not get final surfaces
24 and surface completions and some other detail construction
25 work until it's ready for use by the public, late fall,

1 shortly before the opening.

2 You can see on pages -- on page 8 and 5 that
3 the parking lots for the facility are virtually complete.

4 On page 5 you've got a good detailed shot of
5 the south entry of the casino complex, the north entry and
6 the south employee parking.

7 South, I believe, if I remember, the shot is
8 down. And you'll see where that parking is. It's
9 virtually complete.

10 CHAIRMAN MATHEWSON: Jerry, let me interrupt
11 you just a minute.

12 MR. RIFFEL: Yes, sir.

13 CHAIRMAN MATHEWSON: Did you say that on the
14 Broadway access into the site that the county has
15 accepted -- they'll take the responsibility for that? Is
16 that what I understood you to say? Or what did you say?

17 MR. RIFFEL: No, that's not -- they have not
18 yet. What I said, there is an intergovernmental agreement
19 now being approved by the County Council, under which the
20 city and the county would agree that the county would take
21 responsibility to accept it.

22 CHAIRMAN MATHEWSON: Okay.

23 MR. RIFFEL: There are other provisions in
24 the development agreement where that's also required.

25 CHAIRMAN MATHEWSON: Okay. Thank you, sir.

1 Go ahead, please. I'm sorry to interrupt.

2 MR. RIFFEL: Mr. Chairman, that's fine.

3 Okay. If you look at the construction
4 progress, for example, the exterior of the walls are
5 85 percent complete.

6 If you look at page 7, we are on schedule.
7 This should be virtually complete at the end of January of
8 '10, this coming January. The preparation for that
9 opening is really underway.

10 Missouri Gaming Commission officials, you'll
11 see on page 9, will move into the complex on October 15th.
12 You can also see on the next page where that complex is
13 going to be and where our security will be located.

14 You can see there is a lot of detail in the
15 architectural features of the project now if you look at
16 the north elevation on page 14 and the south elevation on
17 page 15.

18 Within the casino in the grand court, on
19 pages 16 and 17, you'll see now that the skylight and the
20 court itself is quite spectacular and to my eye has a
21 pretty finished look at this point.

22 And that's my report. And, again, Mr. Herr
23 looks forward to seeing all of you on the 29th.

24 CHAIRMAN MATHEWSON: Thank you, Jerry.

25 MR. RIFFEL: Yes, sir.

1 with this resolution after it was adopted by the
2 Commission. I just had a chance to glance at it. And I
3 just wanted to make sure that the record was complete here
4 and that the Commission had the privilege of reading all
5 of the material that we submitted relative to this issue.

6 One of the things I noticed that was not in
7 here was the post-hearing brief that we provided after the
8 July 28 hearing, and I wanted to make sure that that had
9 been part of the Commission's record in consideration, if
10 you were provided with that.

11 CHAIRMAN MATHEWSON: Is that the one we
12 received yesterday afternoon about 3:30?

13 MR. GODFREY: No, no, no. We filed a post-
14 hearing brief. It was filed with the Commission.

15 CHAIRMAN MATHEWSON: Yeah. Okay.

16 MR. GODFREY: Jerry, do you have that with
17 you?

18 CHAIRMAN MATHEWSON: We had it.

19 MR. GODFREY: You did have that post-hearing
20 brief that was filed?

21 CHAIRMAN MATHEWSON: Yes, we had it. Thank
22 you.

23 MR. GODFREY: And if I could just ask a few
24 questions about what this resolution actually means, so
25 that we could understand it, sir.

1 CHAIRMAN MATHEWSON: I'm sorry?

2 MR. GODFREY: I would just like to ask a few
3 questions of clarification regarding what this resolution
4 means.

5 CHAIRMAN MATHEWSON: Sir, you can make a
6 presentation. We don't take questions at this time.

7 MR. GODFREY: Okay. Well, we're obviously
8 disappointed with the Commission's decision. We wish that
9 we had had the ability to discuss this a bit further this
10 morning before the Commission made its decision. We think
11 we could have given some input that may have been helpful.

12 We were never formally provided with the
13 Solicitor General's opinion upon which you're relying.
14 I'm certain that we'll be provided with a copy of that at
15 some point. I think it's maybe generally available
16 through a public records request, but we weren't provided
17 with that decision, which apparently was provided to you
18 at the hearing on July 28.

19 That hearing that we appeared at on July 28
20 was set up sort of, I guess, as a quasi adversarial
21 hearing. I'm not quite sure how you would characterize
22 it.

23 We, of course, provided the Commission with
24 a written brief, a number of exhibits and presented
25 testimony at that hearing.

1 At that hearing this Attorney General's
2 opinion was referenced, but we were not provided with a
3 copy of that opinion at the hearing.

4 So, frankly, we've been sort of in the dark
5 about the procedures here, even including up until today,
6 which is a little bit disappointing. In fact, it's very
7 disappointing.

8 We wanted to give the Commission all of the
9 information that it requested regarding our plans, which
10 we think are good plans.

11 We're cognizant of the fact that in the past
12 other casinos have been allowed to replace their boats and
13 their barges without any procedure akin to this. We are
14 aware of no law that has changed since that time that
15 would lead to the Commission's conclusion.

16 And for that reason we're a little bit
17 confused about why Pinnacle, unlike other licensees in the
18 past, is now being told that all of its plans, testimony
19 and information that it gave to the Commission are
20 rejected.

21 It's one thing not to agree with us, but
22 it's another thing to simply reject all of the information
23 that we presented at your request, and rightfully so, and
24 to say that it won't even be considered.

25 I mean, we have provided written information

1 to the staff, very comprehensive written information,
2 regarding an extensive plan to replace this particular
3 boat.

4 And I'm sure that they've reviewed it, but
5 just simply to reject this in my view is unprecedented.

6 So we're left now with a little bit of
7 confusion about what this means. And I understand,
8 Mr. Chairman, your admonition that we can't ask questions
9 here, but let me just raise the issue that we would ask if
10 we were permitted to.

11 It says, it is hereby resolved that a new
12 license would be needed to replace the President with
13 another barge at its present site. And then the
14 resolution goes on to say that all of our plans and
15 testimony and so forth is rejected.

16 And I guess my question is: Since we have
17 already filed our request to amend our license application
18 and since the testimony of the prior hearing from
19 Mr. Greeno was that in prior cases where boats were
20 replaced, barges were replaced, they technically treated
21 it as a new license but they didn't do an RFP.

22 I would just be curious to know if we're
23 really talking about form over substance here and if the
24 real issue is the procedure which we'll follow to request
25 to replace this boat or whether you're telling us right

1 now that under no circumstances would you consider or
2 would you approve the replacement of this boat at this
3 location, as the Commission has done on, I think, of at
4 least four prior occasions in the history of Missouri
5 gaming law, under law which has not changed.

6 So that would be the question that I would
7 request, sir. If perhaps we need to send that question in
8 writing, if you'd like to schedule this for another agenda
9 so that question could be considered, we'd be happy to
10 understand the procedure a little bit more clearly.

11 CHAIRMAN MATHEWSON: Okay. Thank you, sir,
12 very much.

13 MR. MCNARY: Mr. Chairman, certainly we
14 field all inquiries and would do so.

15 With regard to the process, you're right,
16 Mr. Godfrey, this was structured so that it would be an
17 adversarial proceeding.

18 My judgment was that for you to come forward
19 with witnesses and to make your best case and for us to
20 take, in effect, the other side or a different side would
21 put the Commissioners in the best position to get all of
22 the facts and to make the best decision possible.

23 Mr. Hinckley was an advocate, and since he
24 works for me, I was in the same shoes. We tried to build
25 a firewall. And Frank Jung advised the Commissioners. We

1 were not -- staff was not in that meeting.

2 And as I said before, when this agenda item
3 came up, they were on their own. And I'm satisfied that
4 this commission was independent and served in a quasi
5 judicial capacity. We did the best we could.

6 MR. GODFREY: Mr. Chairman, if I could just
7 finish my presentation based on what Mr. McNary just said.

8 CHAIRMAN MATHEWSON: Please proceed.

9 MR. GODFREY: Thank you.

10 Again, as I alluded to earlier, for whatever
11 this might mean to the Commission and Mr. McNary -- and
12 thank you, Mr. McNary. Those comments were very helpful.
13 They enlightened us a bit as to the prior procedure.

14 There are two types of procedures as we
15 understand under Missouri law. One would be a licensing
16 procedure and one would be an adversarial proceeding,
17 where specific procedures are in place under law to
18 address adversarial proceedings, license revocations,
19 disciplinary actions, so on and so forth.

20 And frankly the procedure that was set up
21 was sort of a hybrid of the two. We didn't see the
22 hearing on July 28th really as an adversarial hearing. We
23 saw it as a hearing in which the Commission was eliciting
24 information upon which it could make a decision to address
25 this hull certification issue.

1 So now we're put in the position of having a
2 resolution adopted, no availability to a hearing officer,
3 none of the other procedures that you would normally see
4 in an adversarial proceeding, where we're put on notice
5 that action is, you know, being requested to be taken
6 against our license.

7 And we asked that question. We asked if
8 this was a hearing to consider the replacement of the
9 barge or was it a hearing where someone was trying to take
10 adverse action against our license. Apparently it was the
11 latter.

12 So now that the procedures have been made
13 clear, perhaps our consideration of this issue is a little
14 clearer.

15 But, again, I'd like to say we do appreciate
16 the Commission's consideration of our information even
17 though you've rejected it, and now we're left with a
18 decision as to what we do from here.

19 But, again, we're very disappointed. We'd
20 like to leave the door open for the Commission to consider
21 our plan at a future time.

22 We have provided the Commission and the
23 staff with the timeline, which if we're allowed to, we can
24 achieve a replacement of this boat, just as other
25 licensees have done in the past in Missouri, with the

1 approval and consent of the Missouri Gaming Commission.

2 And we can address this certification issue
3 very easily, and are prepared to and have been working
4 toward the procedure whereby we can do that by July 2010.

5 So we'd like to leave the door open for
6 that, if that's acceptable to you, but we understand that
7 at least based on this resolution, the door appears to be
8 closed.

9 CHAIRMAN MATHEWSON: Okay. Mr. Godfrey, I
10 don't know how you didn't get a copy of that Attorney
11 General's letter. You know, I thought everyone did, you
12 know.

13 And, Jerry, did you?

14 MR. GODFREY: We received it since the
15 hearing.

16 MR. RIFFEL: We got it, I think, during the
17 hearing, at the hearing.

18 CHAIRMAN MATHEWSON: Okay.

19 MR. RIFFEL: That was done as far as I know
20 quietly without our knowledge.

21 CHAIRMAN MATHEWSON: Okay.

22 MR. GODFREY: And let me just say for the
23 record that -- and I was really talking about in
24 preparation for the July 28th hearing, where we were
25 supposed to exchange information that was presented at the

1 hearing, which we did, and maybe that wasn't provided to
2 us on a timely basis.

3 Let me just state for the record that we
4 respectfully disagree with the opinion that was provided
5 to the Commission. We think that it's not consistent with
6 law. It's certainly inconsistent with prior cases, where
7 other casino licensees in the past have been able to make
8 significant repairs, expansions or replacement of their
9 boats.

10 And I just put this forward for the
11 Commission's consideration, because your resolution today
12 does set a precedent in the state of Missouri. This is
13 not just applicable to Pinnacle Entertainment and our
14 subsidiary. This does set a precedent. We believe it's
15 in the form of rulemaking which didn't follow the proper
16 procedures.

17 But just put this forth for your
18 consideration: What are you going to do in the future if,
19 God forbid, there is some sort of a calamity or disaster
20 with a casino boat that would absolutely mandate that it
21 be significantly repaired or replaced?

22 This decision would mean that that would
23 require a new license, with all of the procedures that are
24 attendant to that.

25 And, frankly, this hull certification issue,

1 which was well known to the Commission and everyone else
2 when our license was extended for three years in December
3 of 2008, is really in the nature of that, sir.

4 So make no mistake, this is not just about
5 Pinnacle Entertainment and our subsidiary, the President.
6 This is a decision that has precedent for every casino
7 licensee in the state of Missouri and will apply in any
8 instance where a casino licensee wants to make a
9 significant repair, an expansion or God forbid that they
10 have to actually replace their vessel because of a
11 calamity or simply wear and tear.

12 All of these boats eventually will wear out,
13 whether it's 10 years or 20 years. So I just want to make
14 clear for the record --

15 CHAIRMAN MATHEWSON: Mr. Godfrey, I
16 appreciate you making that clear.

17 As you, sir, know, I've only been a member
18 of this Commission for the last three months, but I will
19 say, sir, that I, like you, God forbid that we'd ever have
20 that calamity, but I believe without any question that
21 this Commission and this staff will be able to deal with
22 those subjects should they occur. I have full confidence,
23 sir, that we can deal with it.

24 Thank you.

25 MR. GODFREY: Thank you.

1 MR. RIFFEL: Just to make clear,
2 Mr. Chairman -- and I'm talking two minutes.

3 CHAIRMAN MATHEWSON: How about one?

4 Go ahead, Jerry. Come on. Go ahead.

5 MR. RIFFEL: Okay. The only way I know to
6 say anything is plainly, and so I'm going to say it.

7 If what the Commission is going to tell us
8 is that we have to submit a new license application and
9 there could be an RFP throughout Missouri, throughout the
10 state, to compete for that application, my judgment, very
11 respectfully stated, is that you are backdooring the
12 revocation of this license in violation of the due process
13 clause, in violation of 313.817.4, because there is no
14 suitability issue here.

15 There is no real ground under the statute.
16 There is not even anything under the general public
17 interest that anyone could rest on here, in my judgment,
18 on a revocation of this license.

19 And what it does is it would take in
20 violation of law and my judgment one of two licenses held
21 by the City of St. Louis, which by any rule I know has had
22 the most serious economic problems of any city in the
23 state of Missouri, and which in the last seven years has
24 made real, real progress.

25 And I think taking this license, if that's

1 what you're doing, is not only a gross mistake, I think
2 it's a violation of the law.

3 So I would urge you to take one more look at
4 this. We had no notice of a revocation. There wasn't
5 anything close to a notice of a revocation. It frankly
6 was impossible to figure out what it was that you were
7 proceeding to do.

8 And I know your staff thought we weren't
9 cooperating, but, believe me, we thought we were.

10 And I appreciate your time and I hope that
11 wasn't more than two minutes.

12 CHAIRMAN MATHEWSON: Okay. Anyone else on
13 new business?

14 Old business.

15 Anyone have any comments on old business?

16 Then with that we need to have a motion to
17 close -- go into a closed meeting under Section 313.847
18 and 610.021(1) and (14). Is that our next move?

19 COMMISSIONER BRADLEY: So moved.

20 COMMISSIONER JONES: Second.

21 CHAIRMAN MATHEWSON: Call the roll, please.

22 MS. FRANKS: Chairman Mathewson.

23 CHAIRMAN MATHEWSON: Approve.

24 MS. FRANKS: Commissioner Shull.

25 COMMISSIONER SHULL: Approve.

1 MS. FRANKS: Commissioner Jones.
2 COMMISSIONER JONES: Approve.
3 MS. FRANKS: Commissioner Plunkett.
4 COMMISSIONER PLUNKETT: Approve.
5 MS. FRANKS: Commissioner Bradley.
6 COMMISSIONER BRADLEY: Approve.
7 CHAIRMAN MATHEWSON: Okay.
8 Thank you all for being here today.
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